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Featuring Grain Trade of Canada

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The Nation's Business

What Grain Dispute Is All About
Campbell Amendment Proved Unworkable
Idea Is to Get Grain for Pool Elevators

LABRADOR NOT FOR SALE

NEWFOUNDLAND has no present intention of selling Labrador to anyone. In fact it is rather amazing that anyone should have been so credulous as to have assumed that Newfoundland would sell Labrador to the United States. Newfoundland is too jealous of its British position to put any foreign power in control of an area that cuts off a large part of Canada from the sea coast. Even if Newfoundland had any serious intention of disposing of land in Labrador to American interests it does not follow that this would put the country under American sovereignty.

As Sir Patrick McGrath points out in an article in this issue there is a vast difference between ownership of land and sovereignty over the land.

* * *

NEWFOUNDLAND has taken the wise step of bringing practically the entire forest domain of Labrador under public control. Various licenses have been issued to operators for the exploitation of the timber in Labrador but it is now obvious that those who took out the licenses desired to hold the land only for speculative purposes. Their aim was to make money by the sale of their rights rather than by the establishment of either lumber or paper mills. These licensees have been holding on to the land by various measures and have sedulously refrained from fulfilling their contracts. Newfoundland owes them nothing and in taking back the land is ensuring that it will not be held up in the future if any serious sale of timber rights or even the sale of Labrador as a whole is contemplated.

Five, ten or twenty years from now, Newfoundland may wish to sell Labrador to Canada and at the same time to convey sovereign rights over Labrador to this country. If the time comes when such a step is taken, the island will be in a much better position to effect a good bargain if the land has not been parcelled out among a group of private speculators. Our opinion is that if Newfoundland holds Labrador for a term of years it will not even consider a sale. The development of Anticosti Island indicates the possibility of the exploitation of timber reserves, which at the moment seem to be many miles from existing industrial areas. In years to come, Newfoundland should reap a rich annual income from its timber areas in Labrador and when the territory becomes a large producer of Governmental revenues there will be a disinclination on the part of citizens of Newfoundland to part with such an asset.

* * *

THE CAMPBELL AMENDMENT

THE CURRENT dispute about the Campbell amendment to the Canada Grain Act and the so-called "hybrid ticket," is a curious example of the mixture of politics and business, and the complications which result from such a mixture. The

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SAY DECLINE 'PEG ELECTRIC UNJUSTIFIED

Inquiry Has Not Brought to Light Adverse Evidence

PROFITS AVERAGE

Income from Manitoba Power Now Big Factor in Company's Earning Power

From Our Own Correspondent

MONTREAL. — Uneasiness has been occasioned among the common stock shareholders of Winnipeg Electric Company by the reports of the investigation of the Royal Commission centring around the Seven Sisters power site, which was awarded to the Northwestern Power company, a subsidiary company formed in 1928.

The stock market has reflected this feeling in no uncertain manner, the common stock of 'Peg Electric having fallen from a high in 1928 of 118 to its present comparatively low level.

This decline might be attributed to ill-advised selling, as there is nothing inherently wrong with the company. Nor is there any apparent danger of the company's position being affected by the findings of the Commission. While the evidence to date has shown that the company has contributed to the campaign funds of both political parties in Manitoba, which is a practice followed by a majority rather than a minority of companies, no evidence has been brought forward which might be considered as prejudicial to the company's position.

Fears for Subsidiary

It is feared in some quarters that the findings of the Commission may result in the cancellation of the Seven Sisters power site away to Winnipeg Electric's subsidiary. There is little likelihood of this evet.

The Seven Sisters scheme ultimately represents a development of over 200,000 horsepower. It would not be of much use to the Manitoba Hydro Power Commission, as that body has only a market for some 1,200 horsepower and with no indications of any immediate substantial increase in requirements.

Furthermore, before the contract was actually entered into between the Northwestern Power Company and the Dominion Government—with the Manitoba Government's consent—Premier John Bracken publicly stated that it was preferable to have a private company undertake the development of the power site in view of the large expenditure involved, inasmuch as the provincial government would be securing under the contract all the advantages that it would ordinarily derive if the development had been undertaken by the provincial government.

Spent Over $1,000,000

Since the signing of the contract with the Federal authorities, the Northwestern Power Company has gone ahead actively with the development work. About $1,000 has already been spent on the project. The first installation will be about 50,000 h.p., and this can be ultimately increased to 220,000 h.p.

To date no financing has been undertaken by the Northwestern Power. It is the general belief, however, that Winnipeg Electric will advance some $2,000,000 or more to its subsidiary, in return for which it will accept common stock. As far as is known no agreement has been reached on the sale price of the common.

In order to advance this money to its subsidiary, Winnipeg Electric recently offered rights to its shareholders on the basis of one new share for every three held, thus increasing the outstanding common from 150,000 to 200,000 shares. The subscription price of the new stock is $60 a share and the right to subscribe expired on March 1.

The sale of the new shares to the stockholders will net the company $3,000,000. This sum or maybe less, will be used to permit the company to acquire 80 per cent of the stock of the Northwestern Power Company.

From a similar investment made some years ago in Manitoba Power Company, another subsidiary, Winnipeg Electric has increased very materially the equity applicable to its common stock. Manitoba commenced the development at Gres

(Continued on page 2, col. 5)

Flying Prospectors Push Frontier to Arctic in Quest of Mines

Northern Aerial Mineral Exploration Co. prospector-bearing plane on reconnaissance flight, hovering over Landing Lake, Yukon Territory.

Transferring supplies from plane to dog team. Note John E. Hammell, veteran prospector and musher, N.A.M.E.'s president in striped mackinaw. An article on N.A.M.E. appears on page 15.

Dog teams delivering supplies from planes to Prospectors' camp at Shoniah Lake, District of Patricia.

Northern Aerial Mineral Exploration planes landing supplies at Red Lake for Howey Mines. Note camp buildings in right background.

Service Stations Plant at Winnipeg Nears Completion

Will be Used Quickly to Supply Western Trade

PROFITS MOUNTING

The new plant of the Service Stations Equipment Company at Winnipeg, which is part of an extensive programme of expansion which the management has in view, is rapidly approaching completion and will be ready for occupancy on April 1, next. During his recent trip to the coast, H. W. Knight, the general manager, awarded the contract for the work and no time was lost in carrying the plan for the buildings into effect.

The site for the plant covers 3 1-2 acres, and is well located in Winnipeg both as regards accessibility for the workmen and from the point of view of shipping facilities. The main building is 275 feet in length by 100 feet in width; an annex for the boilers and for galvanizing operations is 50 feet in width by 100 feet in length.

The demand for the company's products in the West had become so insistent in the past couple of years that some more expeditious means of meeting the requirement of the trade had become imperative, it is declared. It is proposed at this Winnipeg plant to manufacture all sheet metal products, underground storage tanks and lubricating equipment, and to assemble gasoline pumps and air compressors the constituent parts of which will be sent out from the headquarters in Toronto.

Mr. Knight says that the enquiry for service stations and their equipment at points west of the Great Lakes was never so pronounced as it is at the present time. This is especially the case as regards Vancouver, which is showing constant expansion in population and material wealth. Much the same conditions prevail, though on a lesser scale, in Regina, Calgary and Edmonton.

Earnings Are About $5.50

The annual meeting of Service Stations Equipment will be held toward the latter part of March. The auditors now have the financial statement in process of preparation. While it is too early to suggest the probable results, the company is known to have experienced an exceptionally profitable year. Earnings will likely be found to have run at the rate of $5.50 per share on both classes of stock after due allowance for depreciation.

Some difficulty will be experienced in making comparisons with previous years owing to the expansion that the company has undergone in the past twelve months. Up until last spring, Service Stations had a 50 per cent share in the American company of the same name at Bryan, Ohio; absolute control was secured and the stock taken over in its entirety. This was later followed by the acquisition of the Canadian John Wood Company of Toronto and the Bennett Pump Corporation, of Muskegon, Mich. Through the last mentioned purchase the company acquired the rights to valuable American patents for use in Canada and was accorded a further outlet for its gasoline equipment appliances in the United States. Service Stations now has a 100 per cent interest in all three concerns.

Late in the autumn the Republic Steel Package Company, of Richmond, Cal., (its plant is located just across the bay from San Francisco) was taken over, and it is proposed to manufacture underground storage tanks, lubricating equipment and steel barrels at that point. The California works is expected to prove one of the most valuable of the company's acquisitions, as there [illegible] more motor cars in use in the [illegible] mentioned than there are in [illegible] Canada.

Again Asked to Bite on Canadian Marconi

Speculators in the United States are again being urged to buy shares of Canadian Marconi.

Canadian Marconi—a stock of $1 par value—reached a high of 28½ last November 30 on buying from all over the United States. The market collapsed to around the present level, 7¾, when The Financial Post published an authorized statement from Sir Joseph Flavelle, president of the company, that there was nothing in the affairs of the company which would cause him to revise his previous opinion that the shares were too high when selling at $3.

The stock is now being "tipped" in some quarters as one which is likely to get to $50 per share. But so far as can be learned, the situation now is the same as it was last November.

TWIN CITY

The Twin City Rapid Transit Company has declared dividends on both classes of stock for the first quarter of the present year, $1.75 per share on the preferred and $1 per share on the common. Each is payable April 1 to shareholders of record March 12. The re-establishment of dividends on the common, which were discontinued last September, follows upon the granting of increased fares to the company.

Stock Market

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Feb. 27	108.8	103.2
Week of Feb. 20	105.5	100.1
Month of February, 1928	86.5	76.4
8 Bank Stocks		
Week of Feb. 27	314	311
Week of Feb. 20	316	303
Month of February, 1928	299	293
10 Public Utilities		
Week of Feb. 27	119	115
Week of Feb. 20	119	114
Month of February, 1928	112	106

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	1	8
Paper	13	7	7	20
Steel	13	17	20	50
Foodstuffs	14	14	29	57
Utilities	12	7	16	35
Tractions	7	1	6	14
Textiles	5	7	12	24
Industrials	41	30	42	113
Total	110	78	133	321

Canadian Car Rights Worth About $7 Each

From Our Own Correspondent

MONTREAL.—Following a meeting of the shareholders when an additional issue of $50,000 shares of common stock of $100 par value each was authorized, the directors of Canadian Car and Foundry Company announced the issue of 41,700 shares of the new stock to shareholders. Both common and preferred participate on the basis of one new share for each three now held at a price of $125, to shareholders of record March 15.

In the event of all shares not being taken up, arrangements have been entered into with a banking syndicate to underwrite any not taken out.

The new issue, according to W. F. Angus, vice-president, will provide sufficient funds to retire all of the company's funded indebtedness. The bondholders will be notified immediately and the bonds will be paid off at their due dates.

These include the bonds of Canadian Car, Canadian Steel Foundries and Montreal Steel Works. After making allowance for the premium to be paid, it is estimated that approximately $4,500,000 will be required to redeem the bonds.

With the new creation the authorized capital stock of Canadian Car and Foundry will be increased to 75,000 seven per cent cumulative preference shares and 100,000 ordinary shares of the par value of $100 each.

While no announcement was made at the meeting regarding the company's dividend policy, it is generally understood that something will be done before [illegible], not only because of the [illegible] of interest charges, [illegible] of the substantial [illegible] taken place in [illegible]

At this [illegible] about 1[illegible] mon sho[illegible]

British American Oil's Profits Up $1,455,000

Company, Having Done Well in Ontario and West, Will Aim to Secure Similar Results in Eastern Canada

Net earnings of British American Oil were $2.67 per share.

The annual meeting of the British American Oil Company is one of such gatherings that is always assured of a good attendance, because it is only by appearing in person that a shareholder can be assured of securing adequate information in regard to the operations of the company. That these were eminently successful in 1928, as heretofore, scarcely required to be emphasized; the market position of the company's stock already had given pronounced assurance upon that point. The Financial Post has secured a few figures which will supplement the more general information that was handed to the daily press by the management.

Assets Total $20,312,257

The company's total assets now aggregate $20,312,257. The number of service stations operated at the present time is between 700 and 800, an increase of approximately 200 during the past twelve months. Profits for the fiscal periods amounted to $4,600,000 as against $3,145,000 in 1927, an increase of $1,455,000. The sum of $1,000,000 was written off for depreciation. The surplus account now stands at $6,116,022 as opposed to $4,518,971 in the previous year.

Sales of gasoline during the twelve months went up from 58,000,000 to 80,000,000 gallons. A. L. Ellsworth, the president, stated that the continuous expansion of the business would be maintained throughout the present year and that a large amount of money had been appropriated by the directors for this purpose.

It was learned that the company's business in Ontario and the West has been exceedingly good, having increased about 100 per cent in the past year. A further excellent ratio of increase is anticipated for 1929 in the sections of the country mentioned. But, while this has been the case, correspondingly good results have not been secured in the Province of Quebec and the Maritime Provinces. For this reason most of the efforts of the company's executives in the next twelve months will be directed towards expanding business in Eastern sections of the Dominion.

S. R. Parsons, the chairman of the board, said that the outlook in the petroleum business was much more promising at the moment than it had been for some considerable time. The American Petroleum Institute has just appointed a committee to make a survey of the world's production of crude oil and this committee is to make its report not later than March 15. As the Institute is representative of eighty of the leading oil producers in the world, Mr. Parsons considers this development as one of the utmost significance and fraught with much good for the industry.

The company now has 4,331 shareholders. Out of the 1,600,000 shares of stock authorized, 1,311,321 are presently outstanding.

Out of the net earnings for 1928 of $2.67 per share the company paid $1 per share in dividends with an additional bonus of 25 cents per share.

ST. LAWRENCE PAPER UNITS SHOW GAIN

Units Said to be Better Speculation Than Common

YIELD 11¼ PER CENT.

Both Units and Common Now Far Below Offering Price Last May—Situation Summarized

From Our Own Correspondent

MONTREAL.—St. Lawrence paper units have moved up from 58 to 68 this week and the common shares have also sold higher.

Both the common shares and the units are selling well below the price at which they were publicly offered at the end of May, 1928. The offering price of the common was $32 a share and the present price is around $22. The units which cost $103 in all and now sell at about $68 seem to be more attractive than the common.

The units comprise one share of 6 per cent preferred stock, three quarters paid up; one share of fully paid common stock without par value, fully paid; and a common stock subscription warrant entitling the holder before April, 1933, to subscribe for one half share of common stock at $40 a share.

The remaining $25 per share can be called by the directors not later than December 31 of this year—but with the present clouded situation surrounding the newsprint industry, it is generally understood that the call will not be made.

Units Listed in Boston

The holders of these units, which are listed on the Boston Stock Exchange, have at present only certificates. Before the end of 1929 these certificates will probably be turned in and the holders will receive three fully paid preferred shares for every four 75 per cent paid up preferred now held, together with the one share of common stock and the common stock subscription warrant.

Three units were sold last May at $78 each, and a further $25 was paid up in October last. Hence, the holders who subscribed to the initial offering paid $103 each for their units. They are now quoted around $62 each.

Securities do not decline in this fashion without some reason. The chief reason for the decline lies in the fact that before the issue was completely distributed, the stock market experienced its bad break of last summer. Thus, blocks of common shares and blocks of units have

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Foreign Power Stock Attracting Attention

From Our Own Correspondent

MONTREAL.—Quiet buying has been going on in the no par value common shares of Foreign Power Securities Corporation for some time past, in anticipation that developments during 1929 will be reflected in a substantial appreciation in the value of the stock.

This company was organized in 1927 primarily to acquire securities of electric light and power companies operating in foreign countries. With that end in view the company acquired a substantial interest in the securities of L'Energie Industrielle and indirectly in all its subsidiaries, as well as directly in four of them, namely, L'Union Hydro-Electrique Americaine, the Société Hydro-Electrique du Sud-Est, Société Hydro-Electrique des Basses Pyrénées and the Société Française Auxiliaire pour l'Electricité.

Holdings More Valuable

It is understood that the holdings of Foreign Power Securities Corporation in the French public utility companies have substantially increased in market value in the past few months. This appreciation is not fully shown in the company's first annual report covering the period from May, 1927, to October 31, 1928, but those buying the stock consider this an important factor.

It is considered in some quarters that the corporation will raise additional capital to further extend its holdings in French and other public utility companies. The company has no funded debt, but has outstanding $5,000,000 of preferred and 125,000 no par value common shares. The preferred was publicly offered in two blocks of $2,500,000 each—the first block carying a bonus of one-half share of common with each share of preferred, and the second block carrying warrants entitling the holder of each share to purchase one share of the no par value common stock at $50 a share on or before May 1, 1929, or at $50 a share on or before May 1, 1930.

Two Courses Open

If the company decides to raise additional capital this year, two courses are open to it, namely, the issuing of bonds or additional common stock. As the company has no funded debt, it is not likely that new capital will be raised in that manner.

On the other hand, there are still 125,000 shares of common stock authorized but not issued. At the present time, the common stock is selling around $36 a share. The company might possibly issue rights on the common now outstanding, or if the common shows a further market appreciation, some of the preferred shareholders might consider taking up their warrants before the expiration date of May 1 next.

CAN. CEMENT SALES HIGHER THAN IN 1928

Not Expected That Full Year Returns Will Show Much Change

PLANT OUTLAY LARGE

Company Continues to Follow Policy of Lowering Costs Through Plant Renovations

From Our Own Correspondent

MONTREAL.—Sales of the Canada Cement Company during the current fiscal year beginning December 1, show a slight increase over those of the corresponding period of the past year. It is not expected, however, that sales for the full year will show an appreciable advance over those for the fiscal year 1928.

While structural work undertaken so far this year is above that for the corresponding period of last year, it is the general belief that the volume of construction to be undertaken in Canada this year will be about the same as in 1928, which in turn was one of the best experienced since pre-war days.

At the moment it appears that the Western market will record the largest proportionate gain in sales this year. This was the case last year. The buying power of the Prairies has advanced considerably in the past three years and a large amount of necessary building has been undertaken. If the prospects for the new crop appear good, it is likely that the West will show a substantial increase in building values for 1929.

On the other hand, construction work in the East appears to have about reached its peak. There are several big engineering projects under way or in prospect, which should provide plenty of business for the Canada Cement Company. Furthermore, a number of office buildings are scheduled for construction and these, with a normal amount of residential building, will provide a good volume of business for the company.

At the end of last year—November 30—Cement had a normal carryover of cement. Certain warehouses had too much stock on hand, but others had a scarcity, so that the aggregate amount in storage was of average proportions.

Provide for Contingencies

In the cement business, it is necessary to always have on hand adequate stores of cement. To do this, Canada Cement keeps its plants in operation the year around. In the last and first quarters of the year, production naturally exceeds sales, so that the balance is put in the warehouses to meet the heavy demands during the height of the building season.

Several interesting deductions have been made from an analysis of the sales of the Canada Cement Company covering a period of many years which have proven helpful to the company. Taking the average of a ten-year period covering the years just prior to and during the war, it was found that the sales reached a peak about June-July.

A similar analysis for the past three years shows that the "peak-load" is moving further over toward the fall months. This may be explained by the fact that harvesting operations have had less influence on building, while the adoption of improved methods have enabled the contractors to carry on their work for a longer period than was possible some years ago. Winter weather now does not have the retarding influence on building that it once had and further the large sums of money tied up in construction make it imperative to complete the job and make it revenue producing as quickly as possible.

Export Trade Unchanged

There has been little change in export business. As pointed out in the annual report it is becoming more and more difficult for Canada Cement to compete with the low labor and low freight rates of European competitors, and export shipments have remained practically stationary for the past three years.

Newfoundland, the West Indies and one or two South American markets, are the principal foreign markets for the company's products. In normal times these markets take around 250,000 to 300,000 barrels of cement; a comparatively small volume in relation to the total production.

In keeping with its policy, which has made Canada Cement one of the strongest industrial units in the Dominion, the company is spending large sums of money in improving its plants and lowering the cost of production.

Spend Money on Plants

To this end, the Hull plant is being completely renovated. A new kiln, said to be the largest on the American continent, is now in course of installation. While there will be no actual increase in the capacity of the Hull plant resulting from improvements, it is expected that operating costs will be lowered.

The Western plants, especially that at Winnipeg, are being improved upon. A new kiln is being added to the Winnipeg plant, which will increase the capacity some 50 per cent.

OFFER FOR SOBIE SILK

Benjamin Sobie, original owner of Sobie Silk Shops, has offered to buy preferred and common shares back from those who bought them. Price offered is $25 for preferred and $5 for common or an advance of 10 per cent. on original offering price for units. It is believed Mr. Sobie may sell chain to American interests.

PENMANS TRADING PROFITS GAINED $65,348 IN YEAR

Surplus to be Carried to New Account Was $144,390

Sales of Penman's, Ltd., for the year ending December 31, 1928, amounted to $7,122,864, an increase of $185,826 over the previous year, or equal to 2.68 per cent. Gross trading profits reached a total of $785,919, an increase in the twelve months of $65,348. After meeting the charges incident to interest on bonds, reserve for depreciation, income taxes and bad debts, the net profits amounted to $466,962, a gain for the year of $17,649. Disbursements in dividends on preferred and common shares consumed $322,572, leaving a surplus for the year of $144,390, which was $39,155 in excess of the similar item a year ago. The balance at the credit of profit and loss account now stands at $1,684,222.

The company's asset position was further improved during the year by $491,559 and now reaches a total of $8,293,861. Real estate, buildings, plants, dwelling houses and water powers, less depreciation, are valued at $4,561,726, an advance during the year of approximately $230,000. Goodwill, trade-marks, etc., remain on the books at $1. Current assets aggregate $3,732,133, an increase over the previous year of $261,495. Accounts receivable were increased by $11,518, to $989,656. Inventory of raw and manufactured stocks stands at $2,617,778, an advance over the previous year of $244,162.

In the current liabilities, accounts payable stand at $311,054, as compared with $206,397 in the previous year, an increase of $104,657. No loans from the banks were shown in the previous report; in this they are disclosed at $250,000. Total current liabilities are $681,992, an increase of $367,168 over twelve months ago.

INCOME AND SURPLUS ACCOUNT
Years Ending December 31

	1928	1927	1926
	$	$	$
Net earnings	785,919	720,571	695,537
Less: Bond int.	110,000	110,000	100,000
Deprec.	150,000	100,000	100,000
Res. for taxes	35,000	35,000	35,000
Bad debts written off	23,956	26,257	18,460
Net profits	466,963	449,314	442,077
Less Approp.—			
Pref. divs.	64,500	64,500	64,500
Com. divs.	258,072	279,578	215,060
Bond disct. and expense	.....	.....	112,659
Surp. for year	144,391	105,236	49,858
Add pr. surp.	1,539,831	1,434,595	1,384,737
Bal. car. for.	1,684,222	1,539,831	1,434,595

New Newsprint Price Means Lower Profits for Canadian Group

From Our Own Correspondent

MONTREAL.—Newsprint prices for 1929 have finally been fixed at $55.20 a ton by arrangement between the producers and William Randolph Hearst. Thus the danger of a price of $52 a ton for the current year has been averted. Hearst closed a contract with International Paper at the lower figure, but he has finally agreed to pool his contracts and to take the average price of $55.20 as the basis on which he will purchase newsprint from all the producers during the coming year. This means that all the other companies will sell to their customers on the same price basis.

The figure of $55.20 a ton compares with $62 a ton during the latter half of 1928 and $65 a ton during the first half of the year. Thus the mills will make at least $6, and perhaps $7 a ton less on their output this year than in 1928.

Mills Operate at 80 Per Cent

The contract between the various producers calls for an even scale of operations throughout the industry. With the demand as it is at present, this means that the mills will operate at about 80 per cent of their capacity. This figure appears to be materially lower than the average scale of operations maintained throughout the whole of 1928.

Several of the mills will find that they will be able to maintain a greater scale of operations than in 1928, when some of the producers were running full, whilst others had some of their machines idle.

Companies such as Abitibi, Canada Power and Paper, and Port Alfred may be able to maintain a greater scale of operations. The advantages so obtained will be offset through the lower price.

Unfavorably Affected

The price decline will undoubtedly affect the earnings of the producers very unfavorably. The drop means not only a corresponding decline in gross profits, but also a corresponding decline in the net—at least this is what it means in theory. Doubtless, the companies have already taken every means to reduce their operating costs to a minimum.

An example of how the industry will be affected can be seen by the figures of Price Brothers & Company. Price Brothers' mills have a newsprint capacity of some 740 tons daily. At 80 per cent capacity this amounts to some 600 tons daily or 180,000 tons a year.

Supposing that the decline in price is only $6 a ton, this means that Price Brothers annual net will decline by $1,080,000. All of which is presuming that the price will not advance or decline later in the year, and that the demand in the States will not increase faster than the increasing capacities of the mills on this continent. And there is nothing to indicate any real increase in the demand, or any appreciation in price.

All Companies Affected

Just how unfavorable are present prices may be judged by a comparison of the foregoing figure of $1,080,000 with Price Brothers net profits for the year ending February, 1928. These amounted to $1,683,000 applicable to preferred and common dividends.

Of course, it can be said that the attempt to measure the reduction in net profits by multiplying the reduction in price of $6 a ton by the annual output of any individual company is accurate. Indeed, with Price Brothers, it is not hazardous to guess that in 1929 the company will earn its common dividends. Nevertheless, such figuring gives the investor a clearer idea of just what the $55.20 price means to any particular company and to the industry as a whole.

Price Strong Company

Price Brothers has been chosen as it is one of the strongest units in the industry and its capitalization bears a satisfactory relation to its investment in fixed assets. There are, though, other smaller companies which have no mortgage debt. Companies in this happy position will fare much better than those companies with heavy fixed charges to meet.

By working out on a production basis how much each company will lose through the lower prices, it will be found that net earnings shrink to surprisingly low levels.

It is not possible as yet to form any accurate idea of just what profits individual companies will make in 1929. For instance it is known that Price Brothers' accounting has been conservative and that its earnings and its financial position have been much stronger than those revealed in the annual report.

Has Other Revenues

Then again, Price Brothers' assets are larger than a year ago. And the company has substantial sources of revenue other than from its production of newsprint.

Hence by reducing operating costs to a minimum, the company will this year no doubt be able to show earnings on its common sufficient to meet its modest dividend requirements. But it can be seen, even from the most casual survey of Price Brothers' figures that actual profits in 1929 will be materially lower. This applies virtually all the newsprint producers—except perhaps those that through the new agreement may be able to operate their plants at a greater scale of capacity. Incidentally, Price Brothers may be able to increase the scale of its output under the new agreement. This also would have a favorable effect on profits and would tend to offset to a degree losses through the materially lower prices now prevailing.

Situation Seems Better

On the whole it is felt that the present agreement between the producers has eliminated the possibility of very real and very serious price slashing and has eliminated the possibility of havoc within the industry. It is felt that the demand for newsprint will increase sufficiently to take care of the new machines now being installed and will be such as to eliminate the future possibility of a price cutting situation such as came into being at the beginning of this year.

This is the brighter—and probably more accurate—side of the present picture. There can be little doubt, though, that the thin times now prevailing in the industry at as a whole will not be improved at any early date.

The settlement of the serious price situation will permit executives to tackle production problems with more vigor and so tend to lower operating costs in future.

Dominion Tar Units Sell Above Issue Price

Buyers of stock in Dominion Tar & Chemical Co., found, when the preferred and common shares were called for trading on the Toronto stock exchange this week, that they had a profit of $6 per unit.

The common sold at $32 and the 6½ per cent preferred at $90. Original buyers of the stock last month got it at $100 for one share of preferred, plus one-half share of common as a bonus. Thus the market value of the unit is currently $106.

Fractions of shares of common stock were adjusted by the issuing house at $25 the share.

NATION'S BUSINESS

(Continued from page 1)

amendment in question was passed in 1927, changing the provisions of the Canada Grain Act as passed in 1925.

About the time the main act was put through Parliament the wheat pools were beginning to enlarge their elevator systems, and particularly their terminal elevator accommodation. Much was said about the profits of terminal elevators, and there seemed to be a widespread idea that it would be a wonderful thing for the pools if they could get all their own grain collected in their own terminal elevators, and leave the country elevators of the line companies to perform the country service, generally recognized as being unprofitable if divorced from terminal elevator operation. Consequently a fight was made to have it specified in the act that a farmer might instruct the operator of a country elevator to have his grain delivered at a terminal elevator of the farmer's own choosing. It was accordingly made a provision of the act that a farmer, on payment of charges accruing at a country elevator might specify the terminal to which his grain was to be consigned. But at the same time the elevator companies were protected by a provision that in such case their responsibility for weights should cease when they loaded the grain into a railway car and furnished an affidavit as to the weight of the grain so delivered.

* * *

MILTON CAMPBELL, M.P. for McKenzie constituency in Saskatchewan, was not satisfied, and carried on a fight, in which he was ultimately successful, to have this protection of the elevator companies removed. Consequently, the "Campbell Amendment" was passed to the Canada Grain Act in 1927, in which it was specified that an elevator company must, after taking grain into a country elevator, redeliver it at the owner's option, into any terminal elevator selected by the owner, the elevator company being responsible for the same weight and grade of grain being delivered.

As a matter of actual practice the change did not amount to much, for the simple reason that farmers did not bother about it to any great extent. If they were marketing non-pool grain and selected a country elevator to give them service, they had no object in trying to divert from the company so selected the chance to handle their grain through the company's own terminal. If it was pool grain they were delivering through a line elevator, they were usually on good terms with the country elevator operator, and were not much inclined to worry about the terminal elevator, leaving that to the pool management to think about. Besides, if he insisted on his rights to name a terminal, the farmer might be called on to pay in cash the local elevator charges, instead of leaving them, as usual, to be deducted from his settlement. In addition the pools proceeded to develop their country elevator systems, and their local elevators provided plenty of grain for pool terminals.

* * *

LITTLE more might have been heard of the famous amendment had it not been for those who had agitated to get it made law. It was understood that the pools had contracts with the different line elevator companies for the handling of pool grain, under which such grain was ordinarily to be handled through the terminal elevator of the company giving the country elevator service, but it was also understood that these contracts were shortly to be renewed, and there was some idea that the pools might make use of the amendment to force line companies to give country elevator service on pool grain, while reserving terminal handling for themselves. But the contracts of the pool with the line companies were renewed, and they still provided that pool grain was to be handled through the line companies' terminals. This was entirely in order, for the pools wanted a service from the elevator companies, and it is a matter of common knowledge that handling of grain through a country elevator at ordinary rates is not usually profitable unless the elevator company also secures the terminal handling. A clause however, was inserted in the agreement that this provision was not to interfere with any rights which the farmer might have under the Canada Grain Act. The intent of that clause has since been made the subject of dispute, but at least it was the clear understanding of the trade that the pools, in return for the service to be performed by the elevator companies, intended to give the companies the terminal handling on pool grain.

* * *

THE pool management now began to be subject to criticism, both from political sources and from some of their more enthusiastic members for not taking advantage of the situation. The resulting discussions, and later the method of paying certain pool patronage dividends, led a certain number of pool farmers to demand that their pool grain be sent to pool terminals, through country elevators of line companies. Some of these companies, relying on their contracts with the provincial pools, nevertheless shipped such grain to their own terminals, and if objection was made replied that it was pool grain and that its handling was under the control of the pool and not of the individual farmer. To make their position in the matter some of the elevator companies began issuing tickets for such grain to read that grain had been received into store "for account of the pool." It is to this grain ticket that some of the Western members of parliament have been objecting in conferences at Ottawa. The complexity of the situation is indicated by the fact that reports were circulated to the effect that the western member had been criticising the pools for entering into the existing contracts with the line companies, giving such companies the terminal handling on certain grain. It has been hotly denied that such criticism was made, and it is asserted that the western members in question are sticking up only for the right of the individual farmer to name his grain terminal.

* * *

TO MAINTAIN such a position it has to be argued that the pool farmer, when he delivers it to a country elevator, is not delivering it to the pool or for the pool's account, and that the grain does not pass under pool control until it is deposited in a terminal elevator. Presumably the legal determination of that question would involve an interpretation from the courts of the contract between the pool and its members, and concurrently an interpretation of the contract between the pools and the line elevator companies. The Board of Grain Commissioners have attempted to deal with the matter on complaint of some farmers whose grain was not shipped to pool terminals in accordance with their request. The difficulty they immediately encountered was that they had no facilities and possibly no rights to interpret contracts, their duties being confined to enforcement of the Canada Grain Act. Under instructions from the Department of Trade and Commerce a test case is to be brought before the courts, and the board will finance the matter on behalf of some farmer who will sue an elevator company in this connection, if a case can be found that seems to offer a chance to get the matter settled. The pool, it may be said, has not brought any action in the matter, the explanation being given that the existing contracts with the elevator companies will shortly expire, after which new contracts will have to be made, and any decision by the time a final ruling could be received, if the matter were carried to appeal, might be merely of academic interest.

* * *

IT IS probable that no difficulty would have arisen if the pool management had been left alone to conduct their business of marketing pool grain without volunteer assistance from outside, and pressure brought first upon the management itself, and later upon individual members to make the Campbell amendment effective by actual use. It is not the pool management, but the ultra-loyalists, who have brought about the present situation, and as a matter of fact it is not nearly so important in the country as might appear from the amount of newspaper space that has been devoted to it. The average pool farmer is relying on the pool management to look after the pool's interest, and if the pool has contracted that grain is to go through certain elevators, the great majority of pool members will not go to much trouble to prevent it.

SAY DECLINE 'PEG ELECTRIC UNJUSTIFIED

(Continued from page 1)

Falls in 1922 and has now brought its plant up to full capacity of 168,000 horsepower. At current market valuation of $100 a share for Manitoba Power common, Winnipeg Electric has an equity in this enterprise of nearly $9,000,000.

Lower Profits Expected

The decline in Winnipeg Electric stock and its present unsatisfactory market position, has also been attributed to reports of lower earnings.

Net earnings for 1928 will likely show a decline, due largely to the fact that there has been an open winter in Winnipeg and revenues of the Tramways during the last quarter were not up to those of the corresponding period of 1927.

Income From Man Power

In some quarters it is said that the company will show a decline of $100,000 in net earnings. This statement is only partially true, for it does not take into account dividends received from its subsidiary, Manitoba Power Company, On August 1, Manitoba Power declared a dividend of $1 and on February 1 another dividend of $1.50 a share on 1928 earnings.

On its 90,000 shares, Winnipeg Electric receives $225,000, or an amount equal to $1.50 a share on its own stock outstanding at the end of 1928. Even if the dividend of Manitoba Power declared at the beginning of last month is not taken into consideration, the income from the first dividend will be sufficient to offset the decline in net profits of the parent company.

Dividend is Safe

Accordingly it is not likely that Winnipeg Electric will alter its present dividend on the common of $1 a share. It could pay that amount from its income from Manitoba Power alone.

The annual report of the company, covering the year ended December 31 last, will appear some time this month. The report may be held up while the Commission is investigating the charges against certain of the Manitoba cabinet ministers, but this is not at all likely.

ST. LAWRENCE PAPER UNITS SHOW GAIN

(Continued from page 1)

been overhanging the market ever since the break of last June. This unfavorable technical situation surrounding the stock has in the meantime undergone a decided improvement. Shortly after the stock was issued, the newsprint situation assumed its most depressing aspect. The outlook at the moment seems to be somewhat brighter with the apparent success of the price stabilization negotiations.

Financing Was Involved

One other factor which perhaps has had some influence on the market price of the stock and on its decline has been the somewhat involved nature of the financing, namely the issue of units in which the preferred stock was only 50 per cent paid up and then later the call for a further 25 per cent payment on the preferred stock, making it now 75 per cent paid up. Of course, when the subscribers took up the offering, they were aware that the 25 per cent call was to be made in October last and that a further 25 per cent call could be made up to the end of 1929.

Securities Out of Line

There are several reasons why the common shares and the units appear to be selling out of line with other comparable newsprint securities. In the first place, with newsprint at $55 a ton in 1929, the company can earn and meet its preferred dividend requirements. There are no securities ranking senior to the preferred.

For the year ending June 30, 1928, earnings before depreciation were $1,230,000 and after depreciation $750,000. The annual dividends on the $14,250,000 of preferred stock outstanding amount to $855,000 annually. In the meantime the capacity of the mills has been increased and the company has contracts for a much larger tonnage.

Security For Certificates

The certificates of the units comprising preferred stock, common stock and subscription warrants are secured through a trust company which holds the actual scrip for the $14,250,000 in preferred, and for the common shares and the warrants. When the $25 call per unit was made last October, the company deposited with the trustee an increased amount of preferred stock. When the preferred was only 50 per cent paid up at the time of the original offering, the amount of preferred with the trustee was $9,000,000 as against $14,250,000 at the present time.

On November 2, 1929, the holders of unit certificates will receive the full number of common share subscription warrants, but only three quarters of a share of preferred stock for each unit certificate now held. All this, of course, providing that the last payment will not be called by the company. The final payment was only to be called in case the company decided to install two more newsprint machines. Such a development seems more than unlikely.

Capacity Was Increased

Until within recent weeks, the capacity of the mill amounted to but 300 tons daily. Lately, two new machines have been completed bringing the total capacity up to 450 tons. The last two machines are now being tuned up.

In 1928, the entire output of the mill was sold to 41 publishers. This year, an additional contract equal to the capacity of the two new machines has brought the demand for the company's output up to the capacity of its mills.

Admitting, that all the mills will operate at an equal scale of capacity, say about 80 or 85 per cent, during 1929, St. Lawrence with its additional capacity should be able to enlarge its earnings.

Common Stock Position

Prices will be lower for newsprint in 1929, nevertheless there seems to be no doubt whatever about the company earning and paying its preferred dividend requirements. The 6 per cent preferred stock itself will of course be held by a trust company until the shares and warrants comprising these units are distributed at the end of 1929.

At the present time St. Lawrence Paper Mills common sells around 22. As has been said, the company has no obligations ranking senior to its $14,250,000 in 6 per cent preferred.

The common stock selling at $22 on the unlisted department of the Montreal Curb Market compares favorably with the common shares of many other newsprint companies with common stocks ranking junior to several issues of bonds and preferred. It is understood that the common shares will be listed on the Montreal Stock Exchange soon which should increase the distribution of the stock and tend perhaps to increase its price.

Are Units Better?

The units seem to be selling on a more favorable basis than the common shares. These units are listed on the Boston stock exchange; the current quotation is around $62 a unit.

Perhaps the best method of estimating the present value of these units as compared with similar securities is to disregard any potential value the common stock subscription warrants may have in the future, and to subtract from the current price of the unit the current market quotation of the common shares.

A unit changes hands at $62 and the common stock changes hands at $22. Hence, the market value of the 75 per cent paid up 6 per cent preferred at only $40. As the preferred stock of each unit is only three quarters paid up they are paying $4.50 a share annually, which on the present market price of the units means a return on the investment of 11¼ per cent—a very high return when compared with the yield on similar securities.

Speculative But Attractive

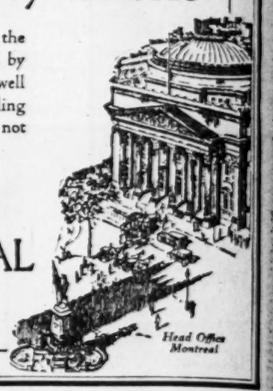
The St. Lawrence Paper Mills units at their present level seem to have a less speculative lure than the common stock, for back of the $14,250,000 of preferred which is in the hands of the trustees for the unit holders, the company has assets of some $22,000,000. Hence, St. Lawrence Paper Mills has not issued an amount of preferred stock out of line with the actual investment in the undertaking.

Common stock outstanding totals 500,000 shares of no par value. This will be increased to 700,000 shares if, as and when all subscription warrants outstanding against the shares are exercised.

Like several other of the independent companies, the St. Lawrence Paper Mills is highly regarded by its customers and, as a consequence, has been able to maintain a scale of operations in its plant larger than those prevailing throughout the industry as a whole. Of course, in 1929 the company may have to conform to the average scale of operations prevailing throughout the industry, which of late has been about 80 per cent of capacity. Probably, as the year progresses the mills will find that the average scale of operations can be increased.

Bank Money Orders

Money orders issued by the Bank of Montreal are used by many business houses as well as by individuals for settling small accounts where it is not desired to pay by cheque.



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Public Utility Investments

EAST KOOTENAY OUTPUT GROWS AT RAPID RATE

Power Needs of District Served Reflected in Earnings

ENLARGING CAPACITY

Addition to Sentinel Steam Unit Ready by Spring — Site Available for Future

From Our Own Correspondent

MONTREAL.—Power sales of the East Kootenay Power Company during the past few months have been exceptionally good; in fact, for the nine months of the fiscal year ended December 31 last, there was an increase of 18 per cent in the kilowatt hour output, as compared with the corresponding period.

Profits have naturally appreciated at the same time. While the company has not issued any official statement, it is understood that gross profits during the nine-month period from April 1, to December 31, 1928, are up 20 per cent over those of the same period in 1927. At the same time there has been a decline in expenses, so that the company is able to show a gain of nearly 40 per cent. in net earnings.

For the fiscal year 1928, the company reported gross earnings of $422,586, which after the deduction of operating expenses left $243,641. Bond interest, depreciation, etc., accounted for $178,061, leaving a net profit for the year of $65,580. Preferred dividends of $61,250 were paid, leaving a surplus of $4,330, which was slightly higher than in the preceding year.

Wider Power Needs

The excellent results being achieved during the current fiscal year are due to a general improvement in the demand for hydro-electric power throughout the Crow's Nest Pass and the other territories served by the company. The company's two hydro-electric plants at Aberfeddie, on the Bull River, and at Elko, on the Elko River, have been kept operating at a high pitch. In addition, the initial installation of the Sentinel steam plant has been brought into operation.

The principal customers of the company are the Consolidated Smelters, Hillcrest Collieries, International Coal and Coke Company, Crow's Nest Pass Coal Company, cities of Fernie, Cranbrook, other mining companies, as well as municipalities in that area.

During 1928, the demand for power increased to such an extent as to make it necessary to double the capacity of the steam plant. This unit is capable of utilizing coal from the highest quality to coal of a very high percentage of ash.

Work proceeded according to schedule during the past year and it is expected that the plant will be completed early this spring, which will provide an output of between 13,000 and 14,000 h.p., bringing the company's total power available up to 35,000 h.p.

The company's output is now at the rate of about 75,000,000 kilowatt hours per annum. With the completion of the Sentinel steam plant, East Kootenay will be in a better position to take care of its increasing load.

Can Meet Demand

Further assurance of an adequate supply of power is seen in the fact that in 1928, the company acquired preliminary rights for the development of water power on the Elk River at a site known as Phillips Canyon, this site being believed to be capable of development to about 20,000 h.p.

There has been some talk of going ahead with the development of this power site, but it is not likely that anything will be done for some time.

Development of the mining industry served by the company, however, presages a steady and appreciable increase in power sales. A number of properties have been opened up in the past year and others have been increasing their operations consequent upon the improvement in metal prices. It is likely, therefore, that East Kootenay will before long find it necessary to still further increase its power supply through the development of the Phillips Canyon site.

Power Corp. Interested

Much of the credit for the improvement in the company's position, has been due to the active interest taken by Power Corporation of Canada, which controls the company through a majority ownership of the common stock.

Public investment interest in East Kootenay Power is largely confined to the first mortgage bonds and the preferred stock. Of the former two issues have been made, $1,940,500 of series A, and $300,000 of series B. Of the $5,000,000 preferred stock authorized, $1,000,000 has been issued. Thirty thousand shares of no par common outstanding, are listed on the Montreal Stock Exchange and trade hands at around 27 to 26.

Salt Drilling Successful

Successful operations have been carried out at Waterways, Alta., in connection with salt drilling. The work was started in 1927, but it was not until October 22nd, 1928, that the salt formation was encountered, at a depth of 670 feet, and the presence of a body of salt 213 feet thick was encountered. The analysis of the brine solution showed that the salt was 99 per cent pure.

WEST KOOTENAY PLAN EXPANSION ON P.G.E. LINES

Will Go Ahead if Rights Are Secured Under New Bill

From Our Own Correspondent

MONTREAL. — West Kootenay Power and Light Company, subsidiary of Consolidated Smelters, is prepared to go ahead with an extensive programme of development provided the company secures certain rights which it is seeking through the Private Bills Committee of the British Columbia Legislature.

Looking forward to the time when country tributary to the Pacific Great Eastern Railway will be opened up in a big way by mineral developments, Lorne Campbell, general manager of the company, asks that the charter of the Okanagan Power Company, subsidiary of the West Kootenay Company, be left intact so that it could be used to cover extensions northward and outside of the scope of the parent concern.

Should Consolidated Mining and Smelting Company, owners of the West Kootenay Company, start to operate in this area, the power concern might wish to extend operations there.

Rebuild Power Lines

Mr. Campbell also forecasts the expenditure of $1,000,000 to rebuild the power lines from Rossland to the Granby Company's operation at Allenby and Copper Mountain. As a preliminary to this big investment, the West Kootenay Company seeks to have a guarantee that its power would be used for five years at a rate sufficient to justify the expenditure. If this was forthcoming, West Kootenay would go ahead immediately with the developments.

There is likely to be some delay in this connection as the Granby Company is on the "outs" with Smelters and West Kootenay. The Granby Company is now shipping concentrates to the Tacoma smelter, and is not desirous of giving this business to Consolidated Smelters unless they can secure better terms from them and also from the West Kootenay Company on power used.

Speaking for the West Kootenay Power Company, Lorne Campbell indicated that his company had given up hope of diverting ore mined by the Granby Company from the Tacoma smelter to the smelter of the Consolidated Mining Company at Trail.

Goderich Elevator Co. to Add 1,000,000 Bushels

The Goderich Elevator & Transit Co. has just let a contract for an addition to the elevator at Goderich which will increase the capacity of the plant from 2,000,000 bushels to 3,000,000 bushels. The elevators of this company are all concrete, steel reinforced and are electrically operated throughout.

Goderich Elevator & Transit Co. became of public investment interest in 1928 with the offering of 33,000 shares of common stock at $23 per share by Midland Securities of London, Ont. There are 84,006 shares outstanding, and the company has no preferred stock nor bonds. The dividend is $1.40 per year.

Establishes Tractor Agency

The decision of the Caterpillar Tractor Company, Inc., distributors of the Holt Combine, to locate its Western Canadian headquarters in Moose Jaw, reflects the city's strength as a distributing centre due to the extensive railway mileage of both transcontinental systems converging on this city. The Board of Trade here is of the opinion that this latest acquisition will have far-reaching effects on the city's development as a distributing centre.

MONTREAL TRAMS HAD GOOD RESULTS IN FISCAL PERIOD

Commission's Report Indicates Sums Available to Company Are Larger

From Our Own Correspondent

MONTREAL.—The annual report of the Montreal Tramways Commission, which administers the contract between the Montreal Tramways Company and the city of Montreal, indicates that the Montreal Tramways Company experienced a satisfactory year of operations in 1928.

The company carried more passengers, received a larger revenue per passenger per car mile, received larger gross revenues and spent larger sums on maintenance and extensions.

The following figures compare some of the operating results achieved through the year:

	1928	1927
Gross receipts	$14,938,678	$13,086,110
Net receipts	$ 3,435,364	$ 3,810,880
Paid to city of Mtl.	$ 1,111,228	$ 1,273,354
Gross bus receipts	$ 1,025,604	$ 787,200
Net bus receipts	$ *21,871	$ 20,837
Car miles	28,104,171	26,101,169
Passengers	237,506,621	222,517,883
Receipts per passenger per car mile	6.22c	6.19c
Op. ex. percentage	51.88	52.02
Maintenance percentage	23.39	18.80

*Deficit.

Company's Profits Up

While the foregoing figures show a decline in the net profits after total operating expenses, this does not mean that the return to the company will be less than a year ago, for the revenues of the company itself are based on a definite return on the capital value invested in the undertaking, together with certain other allowances. In addition, the Montreal Tramways Company has other sources of revenue outside its contract with the city.

By far the greatest proportion of the revenue accruing to the company itself comes from this fixed return from its capital investment. This year, there is no doubt that the revenue on this basis will show a satisfactory increase.

On its bus operations in 1928, the Montreal Tramways Company experienced a deficit. The deficit was probably due to the expansion of its bus services. For the future, an increasing passenger traffic on the busses will probably improve the operating position of this branch of the company's activities.

Expansion in Future

The commission's report again foreshadows the entry of the Montreal Tramways Company into the rapid transient field. The report says: "Surface transportation alone can hardly be depended upon due to the steadily increasing number of passengers both on the tram cars and auto busses and more rapid means of transportation will become necessary."

The report shows that the average fare in Montreal amounts to 6.04 cents as compared with 8.30 cents in American cities of a population of 25,000 or more. Of each average fare, 0.48c. per fare goes to the city of Montreal. Hence, the actual cost of transportation amounts to 5.56 cents per fare.

The distribution of the company's revenues on a per fare basis follow:

	Cents	%
Salaries	2.58	42.68
Material	1.18	19.57
Interest on bonds	.92	15.19
City of Montreal	.48	8.00
Dividends	.24	3.96
Maintenance fund	.49	8.07
Financing	.08	1.31
Taxes	.03	.55
Surplus	.04	.67
	6.04c	100.00

In the 1927 year the total revenue obtained by Montreal Tramways Company amounted to $3,008,000.

The allowance for the return upon capital investment allowed the company accounted for $2,697,700 of this figure. For 1928 the company will be allowed the larger figure of $2,753,932 on this basis, which, together with probably larger revenues from other sources will provide a satisfactory increase both in gross and net after bond interest.

During the year, Montreal Tramways increased the number of common shares which it has outstanding so that the actual amount earned per share of stock may show no betterment. On the other hand, the shareholders position has steadily been improved during the past year by the issuance of new stock which increased substantially the shareholders' equity in the undertaking.

BELL TELEPHONE GREW RAPIDLY IN PAST YEAR

Report Shows Larger Profits, Larger Investment, Need of Financing

From Our Own Correspondent

MONTREAL. — The features of the annual report of the Bell Telephone Company of Canada include substantially larger operating and net revenues; a deficit of working capital which indicates the company's need for further financing; a substantial increase in the amount invested in plant; much larger assets; an increase of $1,000,000 in the surplus account; and a larger depreciation account.

The following comparison of income account figures and working capital figures over the past three years reflects the growth of the organization:

	1928	1927	1926
	$	$	$
Op. rev.	36,510,731	33,210,645	28,460,932
Op. exp.	28,836,389	26,690,891	24,713,217
Op. inc.	7,674,342	6,519,754	3,747,706
Other inc.	714,964	671,004	633,877
Total inc.	8,389,306	7,190,758	4,381,583
Int., etc.	2,792,621	2,378,213	1,915,707
Net inc.	5,596,685	4,812,545	2,465,876
Divds.	4,414,941	3,972,676	3,906,802
Balance	1,181,744	839,868	*1,440,926
Employees' ben. res.	250,000	250,000	.....
Surplus	931,744	589,868	*1,440,926
Earned on stock	10.14%	9.69%	5.05%

*Deficit.

Working Capital Position

	1928	1927	1926
	$	$	$
C. assets	4,313,051	3,900,527	3,501,144
C. liabs.	*9,861,637	4,971,647	*10,246,252
Net work. capital	†5,548,586	†1,071,120	†6,745,108

*Including $6,000,000 of bank loans in 1926 and $4,250,000 in 1928.

†Excess of current liabilities over current assets.

Balance Sheet Position

In the balance sheet, the liabilities show this year a bank loan of $4,250,000. Capital stock stands at $60,340,500 as against $52,495,250 a year ago. The bonds outstanding amount to $41,434,094—up $1,434,094 from a year ago. The foregoing increases in the liabilities are accounted for by the larger investment in plant account in the assets. This account shows an increase of $14,400,000 and stands at $140,680,066.

Depreciation reserve is carried at $29,454,000, showing an increase of over $1,200,000 during the year. Surplus account shows the increase noted in the foregoing income account figures. Other balance sheet changes are reflected in the working capital position of the company. The Bell Telephone Company would probably already have liquidated its bank loan by the issue of new securities, had not Parliament delayed authorizing the company to increase its capitalization.

President's Remarks

As is customary, the annual remarks of C. F. Sise, the president, to the shareholders fully outline the company's activities and the substantial growth experienced during the year.

The president mentions the renewed application to Parliament to increase the authorized capital stock together with the need of new financing to take care of the company's capital requirements.

Due to recent advances in electrical technology, the company was able to increase the total telephone and telegraph circuits on its existing lines to an extent of some 6,500 miles during the year. In addition, large extensions were made in the long distance lines. Service was established between Winnipeg and Eastern points over a direct Canadian circuit; and a Canadian circuit has been provided connecting the Maritimes with Upper Canada.

Overseas Service

Transatlantic service has been extended in Europe beyond Great Britain and in Canada to all sections of the company's territory.

The following figures indicate something of the progress of the company during the year:

	1928	1927
Number of stations	714,245	668,383
Net gain in 'phones	45,862	38,222
Exchange revenue	$26,920,593	$24,780,812
Long distance revenue	$ 8,968,387	$ 7,950,318
Misc. revenues	$ 1,336,716	$ 1,150,520
Gr. additions to plant	$22,406,334	$18,206,339
Aver. time to complete long distance calls	1.9 mins.	2.6 mins.
Employees	16,240	14,899
Phones per 100 population	12	11.7
Number of connecting stations	137,543	133,581
Central offices	393	385
Miles of underground wire	1,694,640	1,468,139
Average daily connections	4,789,046	4,475,339
Average daily connections (L.D.)	65,495	58,801
No. of shareholders	15,501	14,400
Employees owning and subscribing for stock	10,618	10,137

	1928
Phones installed	139,001
Phones removed	93,139
Telephones in residences	67.3%
1929 projected additions to plant	$ 27,000,000
1929-1933 projected additions to plant	$120,000,000
Number of dial stations	22%
Reduction in no. of troubles per phone	9%

MONTREAL PARK WITHHOLDS FIGURES

Not to Publish Report — Management is Optimistic on Outlook

From Our Own Correspondent

MONTREAL.—The actual balance sheet and income account figures of the Montreal Exhibition Company covering its initial fiscal period will not be made public. At the recent annual meeting, shareholders were informed that in the 1928 year the company's earnings were sufficient to show $1.40 per share on the "A" stock after interest charges. Apparently, this figure was arrived at without any allowance being made for depreciation.

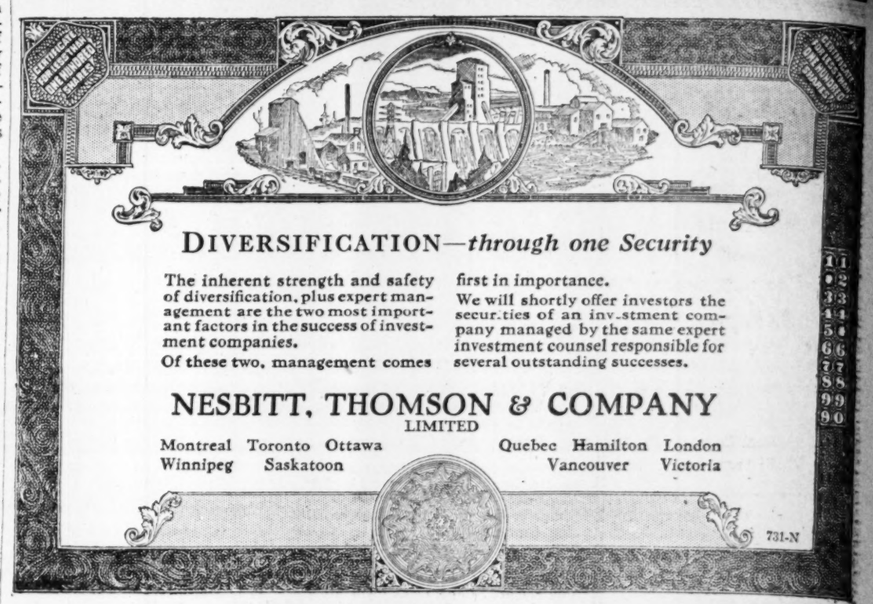
During its first year of operations the company did not receive any revenue from its exhibition building, which was not fully completed and taken over by the company until the beginning of the current fiscal period. The store rentals in the building did not produce any revenue until after August 1.

It is reported that the current operating position of the exhibition building is satisfactory. The company is taking advantage of all available space in the building and is obtaining a revenue from the dead storage of automobiles during the winter months.

Baseball Situation

The baseball team will soon begin its spring training at Daytona Beach, Florida, where the company has been given a guarantee by Daytona of $2,500 against training expenses. The baseball season opens in Montreal on April 17 and the Montreal teams are scheduled to play 27 home games. Given average weather conditions, the directors expect a satisfactory year. The management anticipate that operating expenses will be substantially lower and that revenues will be considerably increased both from gate receipts and from other sources.

The new board of directors consists of the following: Hon. L. A. David, pres.; Lord Shaughnessy and Kenneth T. Dawes, vice-presidents; Senator W. L. McDougald, Col. James E. Hutcheson, Wm. Harty, jr., J. Leonard Apedaile, Chas. M. Hart, L. J. Tarte, J. R. Timmins, Armand Chaput, Ernest Savard, J. H. Fortier and John S. Archibald.



MARKET OUTLOOK NOT SO ATTRACTIVE

No All Round Rise in 1928 —1929 Will be More Selective

The stock market during the next few months will probably be even more selective than it has been during the past year. It is not generally realized that there was no all round advance in stocks listed on Canadian markets during the past year. Only about 50 per cent of the stocks listed in Toronto and Montreal showed any appreciation. The newsprint stocks declined and most of the flour milling securities showed no satisfactory appreciation. Textile stocks, due to the situation in the industry, were also in the doldrums.

Speculators who were successful in 1928, seem to stand every chance of not being nearly as successful in 1929—unless their commitments are made with greater care and with a greater knowledge of underlying conditions.

A Few Good Stocks

The recent market recession, though, has made available at fair prices, some sound long hold stocks. Greater care will have to be exercised in speculative commitments. Many of these stocks have been changing hands at high levels, and many of them will certainly not live up to the high hopes which are now expressed for their future.

Some unforeseen factor may enter into the situation at any moment which would bring about substantial declines in the more speculative securities, particularly of those companies which carry on businesses of a more spasmodic character. If no unforeseen developments occur to shake the faith of investors and consumers, these more speculative stocks may have a good year marketwise—but it is always the unforeseen factor which upsets the calculation of speculators and even of investors—unless they have wide diversification in both their investment and speculative lists.

Public Utility Earnings

Can. Western Natural Gas

	1929	1928	Increase
November earnings	$180,397	$184,875	
Jan. 1 to Nov. 30	1,573,529	1,380,899	
December earnings	208,391	280,733	
Jan. 1 to Dec. 31	1,781,921	1,661,633	

Brazilian Traction

January	1929 Dollars	1928 Dollars	Increase Dollars
Gross earnings	$3,892,833	$3,307,175	$585,658
Oper. exp.	1,672,778	1,384,503	288,275
Net earnings	2,220,055	1,922,570	297,485
Aggre. gross from Jan. 1	3,892,833	3,307,175	585,658
Aggre. net from Jan. 1	2,220,055	1,922,570	297,485

The operating results of the City of Santos Improvements Company, for the month of January, 1929, are included above, and hereafter the monthly operating results of such company will be included in the monthly statements.

Figures for the past thirteen months follow:

1928—	Gross	Net	Inc.
January	$3,307,175	$1,922,570	$247,641
February	3,212,804	1,828,243	213,579
March	3,320,396	1,933,880	168,307
April	3,395,968	1,992,646	249,883
May	3,601,288	2,099,738	198,240
June	3,631,329	2,118,862	208,439
July	3,664,401	2,133,850	149,088
August	3,771,086	2,197,504	207,381
September	3,718,263	2,210,355	211,159
October	3,710,347	2,147,437	237,047
November	3,698,213	2,175,976	273,895
December	3,673,543	2,108,269	350,349
1929—			
January	3,892,833	2,220,055	297,485

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—where labour conditions are the best on the American continent;
—where Railway facilities are unexcelled;
—where power is ample and reliable;
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Full information regarding labour costs, sites, etc., gladly sent on request.

Owned by those it serves.

INDUSTRIAL DEPARTMENT
SOUTHERN CANADA POWER CO. LIMITED
330 Coristine Building Montreal

IN THE SOUTHERN CANADA POWER INDUSTRIAL A

How Many Millionaires Can You Name?

There are 252 millionaires in Canada today, but not one of them is a telephone millionaire.

In forty-eight years of growth the Bell Telephone Company has never exploited the public nor has it itself been exploited.

Its shareholders have never received over eight per cent in dividends and its subscribers today have the lowest rates in the world for comparable service.

The Bell Telephone Company is owned by 15,300 shareholders and no individual has as much as one quarter of one per cent of the total shares.

THE BELL TELEPHONE COMPANY OF CANADA

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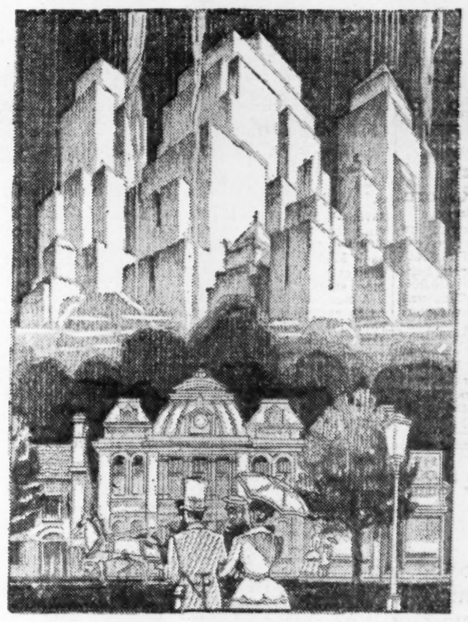

SERVING TORONTO FOR EIGHTY-ONE YEARS

AMONG the old and distinguished Toronto companies which have grown and expanded with the ever-growing city is the Consumers' Gas Company. It was back in 1848 that this public utility came into being to meet a demand for better and cheaper gas to light the muddy streets of old Toronto and its five thousand homes.

As the city grew—and changed—so has the service of the Consumers' Gas Company grown—and developed. With the advent of electricity, the sale of gas for the illumination of homes and streets gradually diminished. But the use of gas increased steadily without interruption, because Toronto citizens soon learned its unique value for cooking their meals, for heating water, for keeping their homes warm.

So widespread has the use of gas become for domestic purposes that whereas in 1905 there were only 9,000 gas stoves in Toronto and vicinity, today there are more than 150,000. Industries are also using gas today in thousands of different processes, and during the past three years, the volume of gas sold for industrial purposes in Toronto has increased more than 50%.

The past is now a matter of record—the future holds the promise of even wider usefulness and service.

There are today more than 3,000 shareholders who participate in the prosperity of this highly-regarded public utility. An opportunity to invest in a new stock issue is being presented to the general public. Your attention is invited to ensuing announcements.

F11

The Consumers' Gas Company of Toronto

"FOR THE GOOD OF THE COMMUNITY" SINCE 1848

Government Municipal and Corporation Securities

Real Estate Financing

RENE-T. LECLERC
Incorporated
Montreal:- 240 St. James St. W.
Quebec:- 71 St. Peter St.
(ESTABLISHED 1901) E255

News of Investment Markets

SIMPSONS, LTD., SENIOR STOCK NOW $7,000,000

$3,000,000 To Be Used for Expansion in Montreal

Wood, Gundy & Co. this week offered $3,000,000 of 6 per cent preferred stock of Simpsons Ltd., at $100 and accrued dividend. This issue brings the issued preferred of Simpsons Ltd., to $7,000,000, the first $4,000,000 having been sold some months ago in connection with the expansion programme of the Robert Simpson Co. in Toronto.

It is stated that the proceeds of the present issue will finance an expansion of the John Murphy Co., Ltd., Montreal, subsidiary of Robert Simpson Co. Details of this expansion programme are expected to be announced within a few days.

Simpsons Ltd. is a holding company for the Robert Simpson Co. The Robert Simpson Co. owns all the issued shares of the John Murphy Co., Robert Simpson Western, Robert Simpson Eastern, Keens Manufacturing Co. and Thompson Manufacturing Co.

Details of the new issue follow:

$3,000,000
SIMPSONS LTD.
6% Cumulative Preference Shares

Capitalization: Constituent Companies:	Authorized	Issued
Mortgages	Closed	$ 235,854
1st mtge bonds	Closed	$1,795,495
Preference shares	$ 8,500,000	$3,350,000
Simpsons Ltd.:		
6½% S. F. collateral trust bonds	$15,000,000	$5,180,800
6% Cum. pfd.	$10,000,000	†$5,000,000
Common, n.p.v.	100,000 sh.	100,000 sh.

† Including this issue.

Company: Controls two of the oldest established department stores in Canada as well as mail order business extending over entire country. Robert Simpson Co. established in 1872.

Properties: Freehold and leasehold are among most valuable real estate in Toronto and Montreal. There are also freehold properties in Regina and Halifax. Mail-order building in Toronto is one of the outstanding reinforced concrete structures in that city. Ground area of Toronto store is partly freehold and partly perpetually renewable leases except 10,905 square feet at Queen and Yonge Street, lease for which expires in 1940. Montreal store is freehold except 55 by 120 feet at Metcalfe and St. Catherine Streets, which is leased until 1930.

Earnings: Have shown steady growth from 1926. Balance available for dividends on preferred issue was $1,645,813 in last fiscal year, $1,641,548 in 1928 and $1,441,986 in 1927, after depreciation. Net assets applicable to preference stock as at January 30, 1929, were $16,160,550. Working capital at that date totaled $8,932,546, not including investments and cash proceeds from this issue amounting to $5,685,844.

Pref. Provisions: Preferred as to capital and dividends. Cumulative at 6 per cent per annum from January 1, 1929. Payable half-yearly. Redeemable in whole or in part at 105 and accrued dividends on 60 days' notice. Collateral trust bonds may be replaced by other similar issues but no further prior charge or equal ranking charge shall be authorized without consent of 60 per cent of preferred holders.

Purpose of Issue: To be used for expenditures in connection with expansion programme of John Murphy Co. and for other corporate purposes.

Directors: Sir Joseph Flavelle, Bart., chairman; H. H. Fudger, president; Charles L. Burton, vice-president; William G. Morrow; David H. Gibson, J. Ellsworth Flavelle, Herbert C. Cox, James H. Gundy, John E. Goldring, Frank Y. McEachren.

Offer—February, 1929, by Wood, Gundy & Co., at par and accrued dividend, yielding 6 per cent.

IRVING OIL CO. FINANCES GROWTH

The Eastern Securities Company, of St. John, N.B., is making an issue of $375,000 preference shares of the Irving Oil Company. The offering is at a price of $50 or par per share but each $100 par value of preferred stock carries a bonus of one share of common stock.

A new company has just been formed to carry on the business previously conducted by the K. C. Irving Oil and Gas Company since 1924 and which is reported never to have had an unprofitable year since its inception. The financing now under way is expected to place the new company in a position to materially increase its storage facilities, allowing them to take advantage of the lower prices which will flow from volume buying.

The new company will continue under the same management as has been responsible for its success in the past. A conservative estimate on the part of the management is said to indicate earnings substantially in excess of $2 per share on the common stock. It is pointed out by the vendors that if purchasers do not desire to retain the common stock bonus, which has a resale value of $20 per share, the preferred stock alone would give the attractive yield of 7.50 per cent.

Particulars of the issue follow:

$375,000
IRVING OIL COMPANY, LTD.
6 per cent Cumulative Sinking Fund Participating Preference Shares

Capitalization:	Authorized	Outstanding
Cum. pref. shares (par value $50)	$500,000	$375,000
Common shares (no par value)	50,000 shs.	40,000 shs.

Company: Irving Oil Company has been incorporated under Dominion charter to take over the K. C. Irving Oil and Gas Co., incorporated in Nova Scotia, as a going concern, and, in addition to the assets and goodwill of that organization, will acquire the Bore Motor Fuel Company, incorporated in New Brunswick.

Assets: Fixed and net current assets of the company as at November 30, 1928, amounted to $607,749 as compared with the outstanding par value of preference shares (this issue), amounting to $375,000. The previous owners of the Irving companies have agreed to accept common stock in the new company for their entire interests.

Sinking Fund: A sinking is to be set aside, commencing March 1, 1932, for retirement of the preference shares at the market not to exceed 110 per cent of the par value thereof.

Offer: February, 1928, by Eastern Securities Corporation, Saint John. Price $50 per share with bonus of one share of common with two shares of preferred.

Quebec Power Company Plans Tram Extensions

From Our Own Correspondent

MONTREAL.—The railway committee has approved the bill of the Quebec Railway, Light, Heat and Power Company to increase its authorized capitalization to $10,000,000. All the stock of the company is owned by the parent organization, the Quebec Power Company. The increase in capitalization is to be used to finance extensions to the tramways system.

Bond Notices

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
Quebec Power	6%	1953	Apr. 1	107½
Allan Montreal Theatre	7½%	1930	Apr. 1	103
Amer. Salesbook	6%	1939	Apr. 1	104½
Can. Wire & Cable	7%	1935	June 1	103
Wabasso Cotton Stock—	6%	1947	June 1	105
Robt. Mitchell, 1st pref.	7%	....	Mar. 11	107½
Building Prod.	7%	Pref.	Apr. 1	105

NEW DISTILLERY ISSUE OF STOCK OVERSUBSCRIBED

Sarnia Distilleries Stock Offered by Dickson, Jolliffe

An offering of 24,710 shares of Sarnia Distilleries, Ltd., made by Dickson, Jolliffe & Co., Toronto, was quickly over-subscribed. The stock was placed at $27.50 per share. The atrractions of this type of investment were pointed out by the firm in question, which referred to the profits already derived from moneys placed in similar enterprises. Hiram Walker in 1926 sold stock at $25 per share which is now selling at an equivalent price of $84, Gooderham & Worts stock sold in 1923 at $57 a share now commands $840 a share, Canadian Industrial Alcohol sold in 1923 at $11 now brings $88, and Seagrams sold in 1926 at $15 now commands $24, all of these plus valuable rights, while Brewers & Distillers, sold in 1926 at $4 a share now sells at an equivalent price of $20.

While Sarnia Distilleries, Ltd., commenced to build its existing plant about two years ago, it has only been in operation for approximately nine months. In consequence it has no stocks of matured liquors on hand. The stock is being offered for a two-year hold, in the hope that at the end of that time a marked appreciation will have occurred.

Application has been made to list the shares on the Toronto Stock Exchange, and the expectation is that they will be called for public trading in about a week's time. Particulars of the issue follow:

24,710 Shares
Sarnia Distilleries, Ltd.

Capitalization:	Authorized	Issued
No par com.	100,000 shs.	50,000 shs.

Company—Upon completion of the present financing and the exchange of shares, the company will own the entire capital stock of the Sarnia Wine & Cognac Co., Ltd., Licensed distillers, Sarnia, Ont. The plant is modern in design and equipment and has a distilling capacity of about 600,000 gallons per annum of high grade Bourbon and rye whiskey. The property covers about three acres, fronting on the St. Clair river.

Security—There is only the one class of security mentioned above, the company having no bonds, preferred stock or bank loans.

Assets—The land, buildings, plant and equipment have a depreciated value of $296,173. Stocks of whiskey already on hand and in process of maturing are insured for approximately $400,000. The proceeds of the issue will be sufficient at present cost of manufacture for the company to manufacture and mature in oak casks a total of about 600,000 gallons, or twelve gallons for each share of common stock issued.

Earnings—Based upon present production of about 1,000 gallons a day and the company selling its product even at the present insurable value, i.e., $2.80 per gallon, net earnings should be in excess of $12 per share at the end of the second year.

Management—C. Kocot, president, of Sarnia, who has had considerable experience in manufacturing and selling, will be assisted by Claud Bixler, a practical distiller of twelve years' experience.

Consolidated Balance Sheet—Current assets total $544,652.97 and fixed assets $296,173.85. License, good will, etc., are written down to $2.00. Current liabilities amount to $15,660.22.

Offered—Feb. 2, 1929, by Dickson, Jolliffe & Co., Toronto, at $27.50 per share.

CAN. HEALTH FOOD PRODUCTS PREFERRED

Offering in New Cereal Company Carries Bonus of Common

Smith, Shean and Homuth, of Toronto, are making an offering of $100,000, 7 per cent cumulative preference stock, in Canada Health Food Products, Ltd., having a par value of $10 a share and carrying a bonus of a single share of common with each preferred share sold. Nine will constitute the board of directors.

Particulars of the issue follow:

$100,000
CANADA HEALTH FOOD PRODUCTS, LTD.
7 per cent Cumulative Preference Stock (par value $10 per share)

Capitalization:	Authorized	To be Outstanding
7% cum. stock	$100,000	$100,000
Common stock (no par value).	200,000 shs.	55,000 shs.

Business: The company will manufacture a line of cereals, such as have already achieved a wide popularity and its success is said to be assured.

Purpose of issue: To supply working capital with which to take advantage of favorable market conditions in the purchase of supplies.

Earnings: Profits are expected at the outset to run at the rate of $30,000 per annum, sufficient to pay preferred dividends over four times and leave good surplus for dividends on common.

Management: Affairs of company will be in hands of men familiar with the manufacturing of breakfast foods.

Offered: Feb. 25, 1929, by Smith, Shean and Homuth, Toronto. Each share of preferred stock carries bonus of one share of common; price, $14 per unit.

This Week's Bond Sales

Burnaby District, B.C.

An issue of $262,000, 5 per cent, 15 and 30-year bonds of Burnaby District has been awarded to Dominion Securities Corp., and Can. Bank of Commerce, on a bid of 98.14. The bids were:

Dom. Securities and Can. Bank of Commerce	98.14
Wood, Gundy & Co.	98.10

MEDICAL DENTAL CENTRE AT COAST OFFERS ITS BONDS

Value of Land and Building is Placed at $1,700,000

A syndicate of Pacific coast investment houses, consisting of Bowes Brothers & Co., of San Francisco, Cal., and Blyth & Co. and Pemberton & Son, of Vancouver, B.C., has made an offering of $1,000,000 first (closed) mortgage 6 per cent sinking fund gold bonds to finance the Medical and Dental Building in Vancouver, ownership of which will be vested in the Vancouver Properties, Ltd. The bonds are being offered at 99 and accrued interest to yield 6.10 per cent. Particulars of the issue follow:

$1,000,000
Medical and Dental Building Vancouver, B. C.

$1,000,000 first (closed) mortgage 6 per cent sinking fund gold bonds, dated February 15, 1929, maturing Feb. 15, 1944. Principal and semi-annual interest payable Feb. 15 and Aug. 15, at the option of holders in Vancouver, B.C., Seattle, Wash., and San Francisco, Cal. Redeemable as a whole or in part on any interest payment date, upon 60 days' notice, at 103 and accrued interest on or before Feb. 15, 1934; thereafter at 102 and accrued interest to and including Feb. 15, 1939, and thereafter at 101 and interest until maturity.

Security.—The bonds are to be a direct obligation of Vancouver Properties, Ltd., specifically secured by a closed first mortgage on land owned in fee and the Medical and Dental Building being erected on the north-west corner of Georgia and Hornby streets, Vancouver, B.C. The building is in the very heart of the city in close proximity to the C.P.R.'s Vancouver Hotel and the new Canadian National Railway Hotel. Covering an area of 120 by 173 feet, the building will be 15 storeys in height, of class A reinforced concrete construction.

Appraisals—Two appraisals have been made, based on the present value of the land plus the actual cost of the completed building, the lower of which is $1,702,179, of which this issue represents about 58 per cent.

Earnings and occupancy.—Applications for most of the store space, for the garage space and signed applications for more than 80 per cent of the office space are in the hands of the owners.

Sinking Fund.—Beginning at the end of the second year an annual sinking fund is scheduled to retire not less than 55 per cent of the issue prior to maturity.

Insurance:—Fire insurance is to be carried for 90 per cent of the insurable value of the building and is never to be less than the amount of the bonds outstanding.

Ownership and Management.—Ownership is to be vested in Vancouver Properties, Ltd., and the management is to be handled by L. S. Forbes, who for 12 years has been directly in charge of the properties of the Metropolitan Building Company, Seattle, used for medical and dental purposes.

Greater Winnipeg Water Districts New Bond Issue

A new issue totalling $1,750,000 thirty-year, 5 per cent gold bonds of the Greater Winnipeg Water District is a direct obligation of the entire district. Principal and interest, which are payable in Toronto, Montreal, Winnipeg, New York City or London, Eng., at the holder's option, are secured from taxes levied by the respective municipalities in the district and rank equally with other taxes imposed for various municipal purposes.

The assessed valuation for taxation amounts to $153,350,820, 87.16 per cent of the property in this connection being located within the City of Winnipeg. The population of the district is 254,607 and the area involved 52.42 square miles. The total funded debt aggregates $16,843,112. As the total sinking fund is $1,973,791, the net funded debt reaches a sum of $14,869,321.

The Greater Winnipeg Water District was created in 1913 by special Act of the Manitoba legislature with powers to construct and operate a waterworks system to serve Greater Winnipeg, and comprises that city and its more important suburbs.

Saskatchewan Govt. Issues Financial Booklet

Over the signature of A. Perring Taylor, C.A., deputy provincial treasurer for Saskatchewan, the treasury department has issued a pamphlet which presents provincial finances and public accounts in a manner which makes the handling of public funds more easily understandable to the lay mind.

The present issue is a revision of a former pamphlet. In view of the service rendered the public by the previous edition, the author was asked to revise and amplify it in the present second edition.

Canada Bud Breweries

At the recent annual meeting of the Canada Bud Breweries, Duncan McLaren was re-elected president. W. A. Mackenzie was chosen vice-president. C. E. Kiewel was re-appointed managing director and Senator Gideon Robertson and J. J. Doran were elected directors. No figures were issued.

TENDERS AND BY-LAWS

March 4.—Hawkesbury — $17,552. 5 per cent., due 1930 to 1948. J. O. Bertrand, clerk-treas. (See announcement on page 16).

March 9. — Timmins Separate School — $17,000 5 per cent., 30-yr. debentures. J. A. Walsh, sec. of the board.

March 11—Consumers Gas Co.—12,500 shares of capital stock, par value of $100. Arthur Hewitt, gen. mgr.

March 11.—Village of Hebertville Station, Lake St. John, Que.—$14,500 5 per cent. 20-year, serial bonds. Thed. Gagnon, sec.-treas.

March 12.—Mun. of Clarendon, Pontiac County, Que.—$20,000, 5 per cent, 25-year, serial bonds. E. T. Hodgins, sec.-treas.

March 7.—Windsor, Ont.—$1,000,000, bonds of Windsor, Essex and Lake Shore Electric Rly. Assoc., 5½ per cent., 5¾ per cent., and 6 per cent basis. M. E. Brian, sec. (See announcement on page 16).

Adelaide-Peter Building Bonds Total $375,000

Stewart, Scully Co., Ltd., of Toronto, are arranging the financing in connection with the erection of what is to be known as the Adelaide-Peter Building. This will take the form of a $375,000 bond issue. The area in which the building is to be erected is being devoted more and more to light manufacturing processes and a number of progressive firms already have premises there. Negotiations are now in progress for about 75 per cent of the rental space available. The building will be of thoroughly fireproof construction.

$375,000
Adelaide-Peter Buildings, Ltd.
First Mortgage 6¼% 20-year Sinking Fund Gold Bonds.

Dated: Dec. 1, 1928. Due: Dec. 1, 1948

The Company: Owns land at corner of Adelaide Street West and Peter Street, in the city of Toronto on which is being erected a loft building of the finest type.

Owners: Ownership is vested in Charles Fremes and his sons, who have the entire equity in the property which they purchased some years ago.

Leases: Negotiations are now in progress for over 50 per cent of the rental space and no difficulty is being anticipated in renting the entire structure.

Security: The security is the land and building and a floating charge on all the other assets and undertakings of the company. The land is valued at $102,750 and the building at $498,250, a total of $601,000.

Earnings: These have been conservatively estimated at $50,200 per annum, which is over twice the annual bond interest on the issue.

Sinking Fund: A sinking fund of $8,000 annually, payable in monthly instalments, commences December, 1930, which will be sufficient to reduce the issue by maturity to $125,000.

Offered: February, 1929, by Stewart, Scully Co., at 99 and interest, yielding about 6⅝ per cent.

List Tar and Chemical

MONTREAL.—Dominion Tar and Chemical 230,000 common no par value, and 45,000 shares 6½ per cent cumulative preferred shares has been listed on the Montreal Curb.

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"A" Stock
We have prepared an analysis in connection with the above company.
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Worthy of Notice
England established, through experience extending over more than a century, that wisely selected foreign bonds are sound and satisfactory investments. And the factors which make for security are being strengthened continuously through the operation of forces which tend to draw all nations into closer relationship.
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NEW ISSUE
18,000 Cumulative Convertible Class "A" $2. Preferred Shares
6,000 Class "B" No Par Value Shares
Dodge Manufacturing Company
LIMITED

Class "A" Preferred Shares carry fixed cumulative from February 1st, 1929, preferential dividends at the annual rate of $2.00 per share, payable quarterly. Preferred as to assets to the extent of $35.00 per share and accrued dividends. Redeemable at the option of the Company at any time on sixty days' notice at $35.00 and accrued dividends.

Class "A" Shares are convertible into Class "B" Shares until February 1st, 1931, at the rate of share for share; thereafter until February 1st, 1932, at the rate of three shares Class "A" for two Class "B" shares; thereafter until February 1st, 1933, at the rate of two Class "A" shares for one Class "B" share.

CAPITALIZATION

	Authorized	To be presently Issued
Class "A" Cumulative Convertible $2. Preferred Shares	30,000	18,000
Class "B" Common Shares (without nominal or par value)	*60,000	24,000

(*This includes 30,000 Class "B" shares which are specifically set aside for future conversion of Class "A" shares.)

From the letter to us of H. C. Anderson, General Manager of the Dodge Manufacturing Company Limited, we summarize as follows:

THE COMPANY: Dodge Manufacturing Company, Limited, incorporated 1929 under Province of Ontario charter, succeeds to the business originally established in 1886 by the late Samuel May. The business has had an uninterrupted growth of 43 years to its present position as the largest manufacturer of transmission machinery in the Dominion of Canada, its products including conveying and power transmission machinery of all kinds, for use in industrial plants, mines, flour mills, terminal grain elevators, etc.

PROPERTIES: The Company owns 6.64 acres of manufacturing site located at Pelham Avenue and Osler Street, Toronto. On this property is situated the Head Office and Manufacturing Plant, the latter consisting of a large wood-working plant devoted to the production of the well known Dodge wood split pulley, machine shop, foundry, pattern house, power plant, warehouse, etc. Buildings are of substantial brick construction sprinklered throughout. The Company owns its own railway sidings directly connected with the Canadian Pacific Railway. Warehouses and Sales Branches are maintained in Montreal and Winnipeg.

The Company's patterns represent years of work and designing by its engineering staff, and enable the Company to serve a large and varied class of customers.

ASSETS: The net depreciated value of the Company's fixed assets and equipment as per the balance sheet of January 1st, 1929, amount to $730,259.02. Net current assets amount to $277,173.63. Total net assets excluding good will and other intangibles, and valuing the Company's patterns and drawings at the nominal figure of $1.00, amount to $1,023,481.93 or $56.86 per share of Class "A" Stock outstanding.

It is of interest to note that the valuation of Fixed Assets at $730,259.02 is $190,000.00 below the present depreciated value appraised by the Canadian Appraisal Company in its valuation dated January 16, 1929. It should furthermore be noted that the patterns and drawings, valued by the officials of the Company at $90,000.00, are included in the balance sheet at the nominal value of $1.00. Fire Insurance is carried on buildings and contents to the extent of $1,170,000.00.

EARNINGS: Net earnings, after provision for all operating charges, maintenance, depreciation, and Federal income taxes, for the two years ending December 31st, 1928, have been as follows:

1927 — $ 57,062.28 — equivalent to $3.17 per share Class "A" Stock.
1928 — $115,565.38 — " " $6.42 " " " " " "

For the past fiscal year, after provision for all the foregoing charges and Class "A" dividends at the rate of $2.00 per share, the Company showed earnings available for dividends on the Class "B" Stock of $3.31 per share.

We offer these shares if, as, and when issued and received by us and subject to all legal formalities being approved by our solicitors, Messrs. Long & Daly, Toronto, and by Messrs. Rowell, Reid, Wright & McMillan for the Company.

Price: Convertible Class "A" $2. Preferred Shares $31. Per Share to yield 6½%
the purchaser of each three shares Preferred having the right to buy at time of purchase
One Class "B" Common Share at $21. Per Share

Application will be made in due course for listing the Class "A" and Class "B" stocks on a recognized stock exchange in Montreal or Toronto.

HANSON BROS.
INCORPORATED
Founded 1883
330 Bay Street, TORONTO
Adelaide 5819

The statements contained in this advertisement are not guaranteed, but are based upon information we believe to be reliable, and on which we acted in purchasing these Securities.

TRANSMISSION FIRM OFFERING SHARES

Hanson Bros. are offering 18,000 preferred shares in the Dodge Manufacturing Company, with rights to buy common. The class "A" or preferred shares, are convertible into class "B," or common shares, on certain specific terms up to Feb. 1, 1933. The company's products include conveying and power transmission machinery of all kinds for use in industrial plants, mines, flour mills, terminal grain elevators, etc. Earnings in 1928 were equivalent to $6.42 per share of class "A" stock as against $3.17 in 1927. For the past fiscal year, after meeting all charges, earnings available for class "B" stock were equivalent to $3.31 per share. Particulars of the issue follow:

18,000 Cumulative Convertible Class "A" $2 Preferred Shares
6,000 Class "B" no par value shares
Dodge Manufacturing Co., Ltd.

Capitalization	Authorized	To be presently issued
Class "A" cum. conv. $2 pref. shares	30,000	18,000
Class "B" no par common shares	*60,000	24,000

*This includes $0,000 class "B" shares which are specifically set aside for future conversion to class "A" shares.

Company—Originally established in 1886, it is the largest manufacturer of transmission machinery in the Dominion.

Properties—Owns 6.64 acres of manufacturing site in Toronto, plant being located on this at corner of Pelham Ave. and Osler Street. Buildings are of substantial brick construction and company has its own railway sidings. Warehouses and sales branches are maintained in Montreal and Winnipeg.

Assets — Fixed assets and equipment amounted to $730,259; net current assets amount to $277,173. Total net assets, excluding good will and other intangibles, amount to $1,023,481.

Earnings—Net earnings, after all write-offs, were $115,565 in 1928 as against $57,062 in 1927.

Offered—Feb. 28, 1929, by Hanson Bros. on following terms: Convertible class "A" $2 preferred shares at $31 per share to yield 6½ per cent, the purchaser of each three shares of preferred having the right to buy at time of purchase one class "B" common share at $21 per share.

Seats on Curb Market Sell at New Record

From Our Own Correspondent

MONTREAL.—A new high record for a Montreal Curb Market seat was established this week when T. W. Anderson bought a seat at $50,000 from Leggatt, Cassels and Company for $50,000. Both were acting for clients. This was an increase of $8,000 over the previous record, which took place early in February. The highest level in 1928 was $30,000. The increase in the value of curb market seats in Montreal has been spectacular. When the market was formed in 1926, the members of the Montreal Stock Exchange were given the right to purchase a seat at $100.

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Basis
Morse, Sask.	Feb.	H. J. Birkett & Co.	5%	10-ins.	$8,000	95.37	6%
Burnaby District, B.C.	Feb.	Dom. Securities Corp., and Bank of Commerce	5%	15 & 30-yr.	$262,000	98.14	5.14
Charlottetown	Jan.	Robinson & Sons	4½%	20-yr.	20,000	95.29	4.87

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Date	Due	Amount	Price	Yield
La Corp. d'Aqueduc de Mistassini	Jan.	Le Pret Municipal Ltd.	6%	5-yr.	$25,000	100	6%
Adelaide-Peter Bldgs.	Feb.	Stewart, Scully Co.	6¼%	1948	375,000	99	6⅝%
Power Corporation	Feb.	Nesbitt, Thomson & Co.	4½%	30-yr.	$10,000,000	100	4½%
Stock Issues—							
Simpsons, Ltd.	Feb.	Wood, Gundy & Co.	6%	Pref.	$3,000,000	100	6%
Canada Health Food Products	Feb.	Smith, Shean & Homuth	7%	Pref.	100,000		

(With bonus of one share of common. $14 per unit)

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
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THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.

TORONTO, MARCH 1, 1929

THE GOLD WE GROW

CANADA is to-day the world's greatest wheat and wheat flour exporting country. There seems to be no early possibility of our losing our leadership and in fact, during the coming few years, we are likely to widen the gap between Canada and the second country, the United States. That country is growing in population much more rapidly than it is increasing its wheat production and the day will soon come when the United States will have no surplus wheat for export. Canada, on the other hand, can continue for many years to increase its wheat production and it should continue to increase its yearly production of wheat and flour more rapidly than it increases its population.

Twenty years ago, Canada planted 8,000,000 acres of wheat and exported 56,000,000 bushels. Last year she planted 25,000,000 acres and exported 325,000,000 bushels. The amount of good wheat land that is available in this country for future planting is probably at least twice or three times the present planted acreage.

For many years grain will be one of Canada's important basic industries. To-day all Canada is to a considerable extent dependent upon the wheat crop for the development of its annual prosperity. Expansion in our industries, our mines, and other sources of revenue has been so rapid that no part of Canada is entirely dependent upon wheat but for all that every part of Canada needs a profitable wheat crop year after year to maintain our current level of prosperity and enhance it.

There are many problems in the grain trade although not so many problems as the politicians would have us believe. We have an excellent system for the marketing of our grain crop. This has been built up over a long term of years and to-day stands close to perfection. In devoting a large special section in the current issue of The Financial Post to a study of the grain trade of Canada we do so in the hope that a careful reading of the articles will lead more Canadians to an intimate understanding of the grain trade and its manifold ramifications; will lead to an appreciation of what the grain trade means to Canada.

MERCHANDISING A CITY

A MAYOR of a western city writes to The Financial Post asking how his city can get new industries. He points to the prevalent tendency among industrial concerns of eastern Canada to take care of their western trade by the organization of branch factories in the West. He points out that his city offers favorable terms and conditions for the establishment of industries and he wants a list of eastern industries that are considering the establishment of branch plants in the West. He wants to write to their executive officers.

Undoubtedly, this mayor has rightly sized up the present development. The tendency to secure mass production by concentrating manufacturing in a single plant is passing. Decentralization in industry is influencing executives. There are many advantages in this. One is that the saving in freight rates obtained is considerable. Another is that decentralized plants diffuse the risk of labor and similar troubles. A third is that decentralized plants are able to appeal to local trade. A fourth point in favor is that decentralized plants are able to recruit their human raw material from a more diversified area.

To get factories, a city nowadays must sell itself just as a manufacturer sells his merchandise. Advertising is of distinct value. Cities should buy advertisements in papers addressed to business men to tell of their advantages in labour, railway routes, raw material supplies, power, etc. But advertising will not do the complete job any more than advertising alone will sell the merchandise of a manufacturer. Advertising is a necessary and integral part of the selling plan, but it cannot be the whole plan. Cities that want factories have to have salesmen to sell them. Salesmen may be city officials or industrial commissioners or even public-spirited citizens. If this western city were to send a keen representative to the East to call upon large Canadian firms selling in that territory, but not now manufacturing there, it would uncover many prospects and then by appealing directly to these prospects it could turn some at least of these prospects into plants.

HELPING BESCO

IN AN endeavor to better the situation surrounding Besco, the Federal Government has a hard nut to crack. Oftimes, wind-jammers with a purely parochial outlook, indicate that Maritime handicaps are due solely to the inertia of the people of the lower provinces. Such statements are patently absurd. If any contradiction be required, the number of Maritimers, who have made successes in every field of endeavor across Canada and in the United States, stand as monuments to the native ability of the Maritime people.

The fact that the Maritimes are, and have been handicapped, is admitted by all who have made even only a superficial study of the situation. To admit the situation, though, is a far easier thing than to find the proper and equitable remedy.

Witness the giant iron, steel and coal industries of Nova Scotia, on which almost a quarter of the population of that province is dependent. Many other industries in Canada have undoubtedly received more in the way of Federal assistance than has Besco.

Undoubtedly the Federal Government is willing to assist these industries. Indeed, it has already done so. Some assistance to the coal industry has been granted and probably further steps will be taken to improve the situation.

But in any endeavor to assist the iron and steel industry, Ottawa will have to tread carefully, for certain it is that assistance along some lines will affect most unfavorably other steel producers such as the Steel Company of Canada which, through good management, and the reinvestment of earnings, has built itself up into a good strong financial position.

The Steel Company of Canada, for instance, claims that assistance should not be granted along certain lines to the Dominion Iron and Steel which in the years gone by, through too many changes in the management, and through financial mismanagement and over-capitalization, now finds itself in its present position. In other words, companies which for years have had sound management, should not be penalized in an effort to assist a company which is now suffering very largely through mismanagement in the past.

While the problem is an intricate one, there is no doubt that Nova Scotia deserves consideration of its largest industry and that the problems connected with assistance to the iron and steel industry can, and must be, solved. Certain it is that a way must be found to help the Nova Scotia steel industries without at the same time harming other producers.

TRAMWAYS TRUMP

EACH year, the publication of the annual report of the Montreal Tramways Commission contains a paragraph or two, not of propaganda, but of facts which indicate clearly the advantages of public utility operations under government or municipal guidance, as opposed to government or municipal ownership.

The city of Montreal has no direct ownership interest in the Montreal Tramways Company. The company and the city have a contract touching the distribution of profits. A certain proportion of the profits go to the company. This proportion is measured on the basis of actual capital investment. Other sums go to the city. Any surplus is divided between the city, the company, and a fund for the reduction of fares.

Thus, in 1928, the city of Montreal received payments from the tramways company amounting in all to $1,111,228. During the past ten years the city of Montreal has received well over $10,000,000 through its contract with the tramways company. There are no municipally-owned trams which can show such satisfactory figures.

The public ownership protagonist might reply that the tramways service in Montreal is more congested and more crowded than in other cities. This may, or may not be true. But even admitting its truth, the average fare paid in Montreal amounts to but 6.04 cents. This compares very favorably with an average fare of 8.3 cents in cities of a population of 25,000 or over on this continent. In other words, the average fare paid on the tramways of North America is 37 per cent. greater than in Montreal. The amount paid by the company to the city represents 48 cents per fare. This deducted from the average fare makes the actual cost of transportation only 5.56 cents a fare.

The city of Montreal obtains an excellent tram service as compared with similar cities. Its securities provide a sound outlet for investment funds, it operates on a low cost fare basis, and returns to the citizens each year large sums which serve to reduce general taxation.

In addition, the property is administered by experienced executives who need not heed municipal political expediencies and can operate the system on a businesslike and efficient basis. The moral of all this is self evident.

NEWSPRINTS A BUY?

A PROMINENT stock brokerage house has issued a bulletin indicating that the shares of the newsprint companies are now an attractive purchase. The favorable factors surrounding the industry are outlined. These include the stabilization of prices; that newsprint stocks have been sold to a standstill; that moderate buying would bring about a material market advance; that pulpwood supplies are far from inexhaustible; that newsprint production is a basic industry; that the stocks have great ultimate potentialities; that the newsprint shares are selling well in line with the assets back of them; and, that the long pull ultimate future of the industry seems assured.

These features of the newsprint stocks can hardly be contradicted. Hence it can be said that some of the more attractive newsprint stocks might be retained in or added to any well-diversified list of speculative securities. At present all factors indicate that three or four years hence the newsprint stocks will be selling at materially higher levels. But the important point in any consideration of newsprint stocks is that none can foretell the future. A year or two hence unforeseen factors may again enter into the situation tending to retard the growth of earning power of the industry.

Two schools of thought exist on the newsprint stocks. The first feels that the newsprint shares should be bought heavily. The second school feels that the shares should not be bought until the more or less immediate outlook for the industry becomes more promising.

Delay in purchasing the newsprint stocks will probably mean the loss of a few points. Very shrewd investors appear to stand the chance of obtaining an equal appreciation in other stocks which have a more promising future outlook. In other words, basically, the future of the newsprint industry for the coming year seems to be still clouded. Earnings will be materially reduced and the out and out speculator who gambles in these stocks seems to be taking chances.

The investor, though, who buys for the long pull, will not try to buy at the bottom. Any investor might well have a small proportion of his funds in newsprint stocks and continue to watch the situation closely. He will then be in a position to enlarge his holdings at the moment the outlook shows signs of brightening.

For speculative purposes, there are as usual some newsprint stocks which appear to be selling out of line with other comparable securities. These naturally might be purchased and regarded solely on their speculative merits. Price stabilization in the industry is apt to have a greater effect market wise on any newsprint stocks which are selling lower than other comparable securities. Stabilization, also, will probably affect all the newsprint stocks to some degree—but minor market movements of this character should have but little interest to the sound, long hold investor. He is, or should be, making his commitments on the underlying position of any industry coupled with a knowledge the individual company's operations and the abilities of its management.

ONE OF THE OLD SCHOOL

TRIBUTE has been paid throughout the length and breadth of the Dominion to the late Sir Vincent Meredith — the distinguished member of a family which has long been prominent in Canada. The daily press has already covered his remarkable career which culminated in his appointment as the head of one of our greatest financial institutions.

Sir Vincent's ability will be a loss to the Dominion. He will be missed by the bank which he so ably and so faithfully served. His valued advice will be missed by ministers of the Crown and by others in high places. And he will be a great loss to the many philanthropies in which he played a leading part.

But probably he will be missed most of all by those who have long relished his unfailing dignified courtesy to all those with whom he came in contact—particularly, as in these days of business haste and struggle, the characteristics which mark the man and the gentleman are so often most notable through their absence.

BETTER STEAKS

PROGRESS has been made towards removing the speculative element from the family beef steak. The grading of beef is a step in this direction.

Dr. Christie, the new president of the Ontario Agricultural College, found his listeners responsive in a Toronto Canadian Club address recently when he remarked, whimsically but truthfully, that the average Canadian would not hazard beefsteak on the table when there was "company for dinner." The steak might be tough and it might be tender. One never knew until the carving knife came into play.

The new beef grading regulations are not far reaching but they are an advance and it is perhaps as well to experiment with grading before setting up a complicated system that might fail and set grading back for many years. Only two grades of beef are being provided for: "choice" and "good." Packing houses will be permitted to do their own grading and will not have to grade unless they wish. Marking of the beef will be done by a band of color on each side of the beef, so placed that some portion of the color and the packer's distinctive mark will be left when the beef side is cut into smaller portions. In time, as the public learns the meaning of the different marks, it will be possible to add further marks and to enforce grading regulations as compulsory.

Beef grading will give encouragement to producers to grow better beef cattle and will encourage packers to dress their product to best advantage. It will also make it easier for the Canadian consumer to select the best beef. The home market for Canadian beef will be stimulated by the grading regulations. If other products suffer from the more intense competition from beef, it will be up to their producers to take steps to grade and to advertise.

When all Canadian agricultural products are graded for both home and export markets, there will be greater net profits for the good producers and easier buying for the consumers.

SASKATCHEWAN is well blanketed with wheat pool elevators, yet to date nearly 40,000,000 bushels of pool farmers' wheat of the 1928 crop has been handled through privately owned elevators. This is 27 per cent. Even the pools need the grain trade.

POST-scripts

ONE of the largest stock brokerage houses in Canada, that has made millions of dollars for its clients, has not taken a new account for three years. Its wires, book keeping staff and trading facilities are now swamped and apparently the house does not care to expand to meet the present peak load in stock trading lest it have a large and unproductive "plant" on its hands in years to come.

The house has been so successful that traders in different Canadian cities, who have been denied the privilege of buying and selling through the house, have taken to hanging around its various offices in the hope of picking up stray bits of information as to what the head of the firm is saying about this stock or that. This may explain the appearance recently on the front door of one of the firm's branches of a card bearing the words

CLIENTS ONLY.

ONE of the most pathetic things in business is the futile attempt to indicate in a printed circular letter that one has a deep and personal interest in the recipient. A circular letter should be frankly a circular letter and when the writer attempts to make it a sort of letter a man might write his wife he only arouses resentment.

Just now we have a card from a newspaper in the west asking for a renewal of our subscription. After gushing over the extreme personal pleasure that will be derived from the renewal of our own particular subscription, assuring us that our subscription means more to the paper than any other subscription, it tells us to look on the other side where the date of our expiry will be noted. And on the other side is a long column of months of the year and a long column with figures for the date of the month and two checks with a pen indicate the time when our subscription expires.

The purely automatic, machine-like manner in which the date is shown gives the card about as much personality as a street car transfer and gives the lie also to the personal note on the other side.

Fables in Finance

The Fable of the "Advertising" Appropriation

By JOHN DUKE

He was a good Advertising Salesman but he never seemed to make much headway with the Adanac Public Service Company, which operated the Tramways, Electric Light and Gas Plants in half a dozen cities.

One Excuse succeeded another.

"Our Advertising Appropriation is exhausted.

"We do not believe in Advertising."

"Advertising isn't any value to us."

There were other Excuses but these show what their nature was.

Finally the Advertising Salesman joined the headquarters of a Great National Party and one of his jobs was to solicit Campaign Fund Contributions. He decided to call around at the Adanac Public Service Company's offices.

The President saw him from afar off and started in to say, "What! You here again! We're always glad to see you but we can not do anything for you. We haven't a cent to spend."

The ex-Advertising salesman tried to slip in a word or two but he did not have a chance.

"I know what you are going to tell me," said the President. "You are going to say that we ought to go after Public Support. Well we don't need any support. If we give Good Service the Public will be behind us. Why should we throw money away."

"Just a minute, please," the Campaign Fund extractor said, "I'm not selling Advertising any more. I'm with the National Party. We want some Money for our War Chest."

The President beamed. "Well, why didn't you say so?"

He pressed a button and the Treasurer come in. "Bill," said the President, "this is Mr. So and So. Our good friend, Senator Jones, sent him around. Take him out and fix him up with what he wants. And, by the way, don't use one of our Cheques but see that it's charged to Advertising."

MORAL—The advertising budget has to cover a multitude of sins.

New Books

Investment Fundamentals

A new addition to the library of books suitable for the new investor to study is "Investment Fundamentals" by Billington and Krog. The book is quite non-technical and is up-to-date in its discussion of investment problems. Such subjects as getting started in investment, measuring safety, income rate, commodity prices and their relation to investment values are given treatment.

The authors are affiliated with a Chicago concern producing investment literature for brokers and bankers. The publishers are Investment Advertising Company, Chicago. Price $2.50.

Stop Me If You've Heard This One

Conductor—Madam, you'll have to pay for that boy.

Old Lady—But I never have before.

Conductor (hotly)—That don't matter to me. He's over twelve years old, and you'll have to pay his fare or I'll put him off the car.

Old Lady—Put him off. What do I care? I never saw him before.

Mackenzie Williams Does Grand Circle

Mackenzie Williams, Toronto mining engineer and writer, is on an extended tour of American mining camps. He has spent several weeks in northwestern Wyoming, Nevada, Colorado, Arizona, Utah and California. Before returning he will visit Texas, New Mexico and Oklahoma.

Stock Dividends Taxed in Canada; Not in U. S.

Nevertheless Tendency of Courts is to Consider Them Merely as Readjustments of Book Position

By M. L. HAYWARD

Stock dividends are as common in these days as plans for outlawing war, and investor, speculator and stockholder are taking a lively interest in this form of distributing corporate benefits, or giving a stone when bread is called for, as the case may be.

A brief summary giving the leading points in connection with such dividends may, therefore, be of some value to the reader who has been favored or discriminated against by this form of corporate generosity.

"A stock dividend is an issue by a corporation of new shares of its own stock to its shareholders," is the simple and terse definition of the Connecticut Courts.

Nature of Stock Dividend

"A stock dividend is exceptional," says a standard authority. "It does not add to the stockholder's ready cash, but it changes the form of his investment by increasing his number of shares, thereby diminishing the value of each share, leaving the aggregate value of all his stock substantially the same. It is of no special importance whether that value be divided into few or many shares."

Except, it may be said, that four shares quoted at 50 can generally be sold more readily than a single share for $200.

Distinguished From Cash Dividend

"It is a characteristic feature of a stock dividend that the property of the corporation itself remains unchanged, but that each one of the shares of the increased capital stock represents a smaller fractional interest than before in the total amount of the corporate property. On the other hand it is a characteristic feature of a dividend declared and paid wholly from the net profits or undivided earnings that it does diminish the property of the corporation by exactly the amount of the dividend so paid out, while it leaves the fractional interest represented by each share of the capital stock exactly what it was before," says a leading court on this point.

What is Stock Dividend?

If a dividend is payable in cash or in stock, at the option of the stockholder, is it a cash or a stock dividend?

There is apparently no Canadian ruling on this point, but in a New Jersey case a corporation declared a cash dividend of 20 per cent., and at the same time gave the stockholders power to subscribe at par for a new issue of stock of the same amount, and the New Jersey Courts held that it was a cash and not a stock dividend.

"It is true that the company at the time it declared the dividend gave an option to subscribe to the new stock, and that its officers anticipated that the new stock would be paid for with the cash dividends, but it did not attempt to compel the subscription, the stockholder could do as he pleased," said the Court.

"A dividend of cash representing the profits is none the less to be taken as income because the stockholder is at liberty to invest at par in stock which is worth more than par, if he is also at liberty to sell the rights to subscribe for the new stock," says the same court in another case along the same line.

On the other hand, if the stockholders have no option, but are bound to accept the new stock, then it is a stock and not a cash dividend, even although a cash dividend may be declared at the same time and in connection therewith.

A pertinent illustration of this rule is found in a case where a corporation increased its capital stock from $650,000 to $750,000, each stockholder was entitled to one share of the new stock at $100 for every two shares of the old stock held by him, and at the same time a resolution was passed declaring a cash dividend of $50 per share to be applied in payment of the new shares, which were to be issued to the old stockholders only. Each stockholder then turned over his cheque for the cash dividend as a payment on this new stock, the cheques for the cash dividend were destroyed and not presented at the bank, and the decision was that this was a stock and not a cash dividend.

From these facts, it is clear that the intention of the corporation and of its directors and officers was to make a stock dividend, and a stock dividend only," said the court. "No money was ever paid, nor intended to be paid by the corporation to any stockholder. The declaring of the dividend in cash, and the giving of cheques therefor, were mere forms adopted to carry out the scheme of creating new stock and distributing it among the stockholders."

Dividend in Another Corporation

It follows from the definition given above that a dividend by a corporation of the capital stock of another corporation is not a stock dividend.

"Moreover by a stock dividend is generally understood a distribution made by a corporation of shares of its own stock. This was not such a case. The shares distributed were those of another and wholly different corporation, created under the laws of another state, and having an absolutely distinct corporate entity," says the Massachusetts Supreme Court in a case on the point.

Discretion of Directors

Stock dividends also come within the broad general rule that the directors may exercise an unhampered discretion in the matter, and, if the dividend is lawful, the courts, as a general rule, will not interfere with the action of the directors in declaring or not declaring such a dividend.

"When, therefore, the directors have exercised this discretion, and refused a dividend, there will be no interference by the courts with their decision, unless they are guilty of wilful abuse of their discretionary powers, or of bad faith, or of a neglect of duty. It requires a very strong case to induce the courts of equity to order directors to declare a dividend, inasmuch as equity has no jurisdiction unless a fraud or breach of trust is involved," says a leading authority.

Right of the Directors to Rescind

The American courts have laid down down the general rule that a stock dividend may be rescinded by the directors, even although the stockholders are notified and the dividend is based on surplus earnings, whereas a cash dividend is generally irrevocable.

"That inasmuch as the act of declaring the cash dividend not only the amount thereof from the mass of the corporate funds and property, and cannot be recalled for the reason that the debtor cannot cancel a debt and rehabilitate or re-establish the fruit on the tree; whereas the act of declaring a stock dividend does not of itself operate to sever the stock to be thereafter issued from the other corporate property, inasmuch as there is no stock to be severed, and as the new stock cannot be issued until certain precedent conditions and formalities are complied with," says the Connecticut Courts, and the same rule has been laid down by the Federal Courts.

A stock dividend is of course payable when and according to the terms of the resolution declaring the dividend, and some courts have ruled that if no time is specified and the dividend is payable at the pleasure of the corporation, then the dividend is payable as soon as one or more stockholders are paid, and if none are paid, then within a reasonable time.

Dividends of Non-Voting Stock

It is lawful for a corporation to declare a stock dividend carrying no voting power, so as to retain the control of the corporation in the old stockholders?

In the case of the Bethlehem Steel Corporation the New Jersey Courts ruled that issuing a stock dividend in good faith, but without voting rights, so as to retain control of the company in the then stockholders, did not vitiate the dividend.

"That the purpose of the plan is to retain control in the present stockholders does not vitiate it. The question is one of good faith. There is no charge of bad faith in the present case. The mere fact that one of the results of the plan may be to perpetuate the control in the hands of its present stockholders does not vitiate it. The stockholders were entitled to vote as their selfish interest dictated," said the New Jersey Courts.

An interesting question arises where X owns stock in a corporation, makes a will leaving the stock to Y, and the remainder of his estate to Z, the corporation declares a stock dividend, X dies, and then Y and Z both claim the new stock.

"All you can get is the stock mentioned in the will," Z contends.

Yes, but when that stock comes to me it pulls the stock dividend along with it. In other words, the stock dividend and the old stock are so identified that they cannot be separated as far as you and I are concerned," Y argues.

But Z is right.

In the English case of Norris vs. Harrison (56 Eng. Reprint, 333), X willed to Y £11,000 of bank stock "now standing in my name," the bank declared a stock dividend of 25 per cent., then X died, and the English Chancery Court ruled that Y could not hold the stock dividend.

In a Maryland case the evidence showed that X bequeathed to Y 42 shares of railway stock, the railway company declared a stock dividend of 16 shares on account of surplus earnings "plowed back" into the property, and Y claimed the whole 58 shares on the ground that the dividend followed the stock.

"When the sixteen shares of dividend stock were issued to the testatrix, she also received her due proportion of a cash dividend, likewise declared on account of accumulated earnings of the corporation. It is, of course, not suggested that this cash dividend would pass under the bequest of the stock, even if the money thus derived could be identified at the period when the will be-

(Continued on page 20)

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PAPER INDUSTRY SURE TO REDUCE ITS EXPENDITURE

Current Year Will Witness Material Decline in Purchasing Power

IS FAR REACHING

As to Date Newsprint Mills Have Affected General Business Very Favorably

The unsettled conditions in the newsprint industry will undoubtedly have reverberations which will be felt in business circles throughout the whole Dominion.

The investment in the newsprint industry represents the largest proportion of the total invested in the pulp and paper industry. The pulp and paper industry is the largest single industrial effort in Canada, making annual purchases of commodities to the extent of some $70,000,000.

In 1929 the newsprint mills will receive at least $5 a ton less for their output. This in turn will reduce net profits materially and has already resulted in the companies cutting their expenditures to the bone.

Will Be Much Curtailed

While there are some newsprint projects underway and contemplated, yet it seems certain that the capital expenditures, which have had such a favourable effect on business during the past five years, will be largely curtailed and perhaps toward the close of the year eliminated entirely.

During the last five years, the newsprint mills, through their tresuhc as the McLaren undertaking lowed by immense capital expenditures, have been to no small degree responsible for the prosperity which has prevailed in some of the equipment industries which produce paper machines, hydro turbines, and building materials of all kinds.

Expenditures on undertakings now underway and those projects such as the MacLaren undertaking will serve, for a few months at any rate, to preserve the amount of business going to those companies which have depended to a degree on the pulp and paper industry.

Not Many Orders

Further orders of real magnitude can hardly be anticipated. There can be no doubt that many of the firms together with their dependent operations will feel the decline in purchasing power of the industry this year. It is fortunate, in one sense, that the expansion is not coming to an end suddenly. It is slowly declining, so that those who have been dependent on the industry for orders will have a better opportunity of changing their output.

General business in Canada will probably feel the effect of the need of the newsprint industry obtaining lower cost raw materials. These include replacements, chemicals and pulpwood. And the greatest of these is pulpwood.

The chemical requirements of the mills are largely imported. Replacement business will be maintained, but the mills will probably do very careful shopping before making their commitments.

Lower Priced Pulpwood

The lower prices for newsprint will undoubtedly bring about a decline in the price paid to settlers for pulpwood. Many of the mills have habitually purchased about half their pulpwood requirements from settlers. Many settlers in the pulpwood areas are entirely dependent on their annual revenue from the sale of wood to obtain any surplus over and above the cost of operating their sometimes somewhat unfertile farms. Hence, the net revenues to the agriculturalists who sell pulpwood to the newsprint companies in Eastern Canada will be less this year. Some of the farmers in the East will have a smaller surplus to spend.

Has Silver Lining

In the foregoing somewhat gloomy prognostications, it is only fair to recognize the fact that there is a possibility of some real increase in the demand for newsprint in the United States, even though appearances indicate but little chance of any such increase materializing in the immediate future. Even supposing that there was a marked increase in the demand, it is doubtful if there would be any large scale expansion undertaken in the industry. With the price slashing conditions which have existed in the newsprint market during the past twelve months, the industry has probably learnt a hard lesson which will stand it in good stead for some years to come.

Fortunately, in the general situation there are other features which may offset the declining capital and operating expenditures of the newsprint industry. These include the large projected power undertakings, namely, those of Shawinigan, the McLarens, and Beauharnois in Eastern Canada, and Calgary Power, Winnipeg Electric, and the power companies of British Columbia, in the West.

In the Maritimes, there are still sufficient pulp and paper projects underway to assure the maintenance of good business there for many months to come.

Background of Business

	Canada	United States
Commodity Prices:	Steady at present; may be lower.	Unchanged; may decline a little.
Iron and Steel:	Good business on hand; more in sight.	Tonnage up; Hoover's election hopeful.
Building:	Off to a good start, should be big year.	Lower. High money rates are holding up new projects.
Foreign Trade:	Aggregate greater. Farm products feature exports. Industry importing heavily.	Volume is large. New legislation may affect trade relations.
Employment:	Best in years. Seasonal adjustments less violent. Much new work in sight.	Spotty. Outlook better.
Car Loadings:	Grain movement less; other loadings well maintained.	Larger than a year ago; are growing.
Stock Market:	Growing more selective; reaction has provided some bargains.	Volatile. Wall Street still successfully obtaining ample credit. Bears watching situation very closely.
Credit:	Abundant for business. Banks withhold further credit for stock speculations.	Ample. Determined efforts to limit loans on securities.
Agriculture:	Farmers in good financial position. Perhaps larger acreage this year. Better quality crop desirable. Dairying fair; livestock much better.	Farmers handicapped. Expect assistance from legislation by Hoover administration.
Trend:	Further acceleration expected in all areas. Consumption keeps pace with increased production. Newsprint revenues will be lower; flour milling is improving; lumbering slightly better; power output gains; automobile output grows; small firms suffer from competition.	Long pull, outlook for larger corporations excellent, but smaller undertakings likely to continue to suffer. Record motor car output in January. Industry stands to gain by Hoover's election. Petroleum and coal output higher than last year. Chain and departmental store sales higher.

Biggest Buyer in Canada to Have Larger Surplus

A weekly business review by JOHN E. LANGDON, Business Editor

The largest Canadian purchaser of manufactured goods will have a substantially increased purchasing power throughout 1929. His larger purchases will affect every industry in the Dominion—boots and shoes, paint, glass, timber, and virtually the gamut of industry. This large purchaser is, of course, the farmer.

For the first half or three quarters of the year, the successful crops of 1928 will provide this important individual with surplus funds which will be used in making purchases and thus maintaining the satisfactory industrial progress of the country. His purchasing power during the last quarter of the year will depend obviously on the results obtained from his crops and his production which includes wheat, fruit, livestock and dairy products. February may be an early moment to forecast success for the farmers throughout the length and breadth of the land during the next twelve months, but all factors seem to indicate an increased purchasing power for the Canadian farmer during the coming year. This will undoubtedly have a vital effect on Canadian industry.

Good Year For Industry

Canadian industries selling in the domestic field will undoubtedly experience a happy twelve months, although profits will be comparatively narrow and the stock markets may not completely reflect their strides.

In British Columbia, the surplus profits of the farmer depend largely on the results obtained from the fruit crop. The results obtained in 1929 will in a large measure, though, depend upon the results obtained from the provincial government's new co-operative marketing scheme. If properly handled, and carried out along business - like lines, these should not affect adversely the net available to the grower. B.C. apples have an established quality and have attained such renown, that the apple growing industry is steadily expanding.

The growth of younger orchards should tend to offset unsatisfactory results which might accrue through a poor crop.

Outlook For Prairies

Through the larger 1928 crop, the prairie farmer is now occupying an exceptionally strong liquid position. For 1929, he will probably increase his acreage. Even presupposing a declining yield per acre and a lower crop, he still stands a good chance of producing a higher average grade. The average wheat grade in 1927 was remarkably low and the average in 1928 was number 3 Northern.

With all the factors taken into consideration, there seems but a small chance of the Western farmers obtaining a smaller surplus from their 1929 crops than from their 1928 production. The chances are but slim that from the larger acreage the farmers will obtain a lower yield, coupled with a lower grade than in 1928. Moreover, grain prices will hardly be any lower than in 1928.

Outlook For Ontario

In Ontario and Quebec, the creamery and dairy business is the dominant branch of agriculture. The Lenroot Bill in the United States, setting definite sanitary standards in the production and manufacture of dairy products, has had but little adverse effect on the situation.

Butter exports, though, are lower and there seems little chance of any increase in this trade to the United Kingdom. Canadian butter does not compete very much in the British Isles, due principally to its high grade, but with Canadian butter selling at its present levels, overseas and foreign markets have turned more and more to cheese. The outlook for this branch of the dairy industry is bright.

Incidentally, with the improving business conditions prevailing in Canada, the domestic market is affording a larger and more satisfactory outlet for the farmer—despite the fact that his prices are largely governed by world conditions and by the volume of his exports.

Maritimes Position Sound

Particularly in the Maritimes are the better domestic markets aiding the farmer. In New Brunswick the outlook is satisfactory, as for an increased return on its production of agricultural products. Its most important crop is potatoes, and last year a large acreage planted with seed potatoes did not pass the test and a large amount of seed potatoes had to be sold on the open market. Nova Scotian apple growers, encouraged by their government, are steadily adopting more scientific methods of growing and producing. There was only a fair apple crop in the province in 1928; and 1929 should show a larger yield.

The only fly in the agricultural ointment is the probability, in fact almost the certainty that the Hoover administration will, to assist the farm population, take steps to limit further exports of Canadian agricultural produce to the United States.

Important Considerations

But even in the United States there is a realization in business circles that Canada is the best customer which the U.S. has, and that only by increasing the buying power in Canada can the U.S. manufacturers hope to maintain the level of their exports to this country.

Moreover, U.S. tariff changes in the past have already done just about all the harm that can be done to Canadian agriculturists. Of course, the tariff may be increased. This has been tried in the past. The economic result will only be that exports of Canadian produce will continue to jump the tariff wall. These exports have continued to increase since the big slump occasioned by the Fordney tariff legislation. Moreover, further increases in the tariff would not have anything like the adverse effect on Canadian exports of agricultural products as did the original adoption of the high tariff policy some years ago.

Urban Building Larger During January Last

From Our Own Correspondent

MONTREAL.—While there was a seasonal decline in the value of building permits issued by 61 Canadian cities during January, compared with the preceding month, the aggregate was rather higher than in January, 1928, and was also greater than in the same month of any other year since 1920.

Permits were issued for buildings estimated to cost $8,364,670, as compared with $16,095,160 for December, 1928, and $7,716,587 in January, 1928. There was, therefore, a reduction of 48 per cent. in the former and an increase of 8.4 per cent in the latter and a more significant comparison.

Nova Scotia and Manitoba reported increases of 375.6 per cent and 80.3 per cent respectively, in the value of the building authorized during January as compared with December showed increases in all the major divisions, with the exception of grain and grain products, live stock, pulpwood, other forest products and lumber.

Products from the forests of Canada have an annual value of $475,000,000 of which approximately $450,000,000 is distributed for labor, equipment and supplies.

Maritimes Sure to be Larger Consumer Now

Business is booming in the Maritimes. The past twelve months have witnessed a material revival of activity in Nova Scotia. This revival is so well known and recognized that it need not be expanded upon. For the next twelve months the outlook in Nova Scotia is also satisfactory. The large paper and power development being carried out on the Mersey is an outstanding feature in the development of the province in which the purchasing power of the population is now materially larger than it was a year ago.

New Brunswick, though, has lagged behind somewhat in business expansion. Now, however, that province is entering the largest period of industrial expansion in its history. Pulp and paper mills are being constructed at Dalhousie and at Athol. Two mills are also to be built near Chatham. Negotiations are well ahead for the transfer of the Valley Railway to the Canadian National. This will relieve the province itself of large annual expenditures.

The establishment of a Maritime trade commissioner in Ontario is a development which not only reflects the present state of business in these two provinces, but also is a happy portent for the future.

While Prince Edward Island had a poor potato crop last year, yet general commercial business there seems to be thriving.

Freight Loadings Show Gain For First Time This Year

From Our Own Correspondent

MONTREAL.—For the first time this year, car loadings of revenue freight on Canadian railways exceeded that of the corresponding period of last year. For the week of February 16, 65,516 cars were loaded as compared with 64,045 cars in the preceding week and with 64,687 cars in the same week a year ago.

The accumulative total for the period from January 1 to February 16, 1929, showed total car loadings of 411,308. This compares with 438,780 and 414,657 in the corresponding periods of 1928 and 1927 respectively.

The improved showing for the week of February 16 was largely due to the heavier movement of grain and grain products—an increase of 500 cars being shown. This, together with other minor increases, was sufficient to offset the few minor decreases.

An analysis of the accumulative figures for 1929, as compared with 1928,

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Latest Weekly 1929	Latest Weekly 1928	Cumulative for Year 1929	Cumulative for Year 1928
Car Loadings (Feb. 16)	65,516	64,687	411,308	438,780
Stock Index (Feb. 21)	1098.8	322.0	.....	.....
C.P.R. Gross Earnings (Feb. 21)	$ 3,387,000	$ 3,479,000	$ 25,738,000	$ 25,734,000
C.N.R. Gross Earnings (Feb. 21)	$ 4,766,892	$ 4,560,284	$ 32,193,857	$ 31,523,766
Production—	**Monthly 1928**	**1927**	**1928**	**1927**
Pig Iron, tons, (Dec.)	103,450	63,197	1,037,535	709,697
Steel, tons, (Dec.)	103,054	96,248	1,240,214	907,638
Newsprint, cwt. (Jan. '29)	212,191	186,721	.....	.....
Automobiles (Dec.)	9,425	3,106	242,382	179,054
Boots and Shoes, pr. (Dec.)	1,074,643	1,411,517	17,574,661	18,211,974
Flour, bbls. (Oct.)	2,130,000	2,005,000	15,502,000	13,815,319
Construction—				
Building Permits (Jan., '29)	$ 8,364,670	$ 7,716,587	.....	.....
Contracts (Jan., '29)	41,962,900	20,480,000	.....	.....
Labor—				
Employment Index (Jan. '29)	109.1	100.7	.....	.....
Trade—				
Imports (Jan., '29)	$ 96,958,301	$ 79,506,417	.....	.....
Exports (Jan., '29)	$ 94,942,041	$ 82,564,479	.....	.....
Imports of Key Products—				
Rubber, lbs. (Dec.)	5,865,337	5,156,384	69,190,918	59,253,424
Cotton, lbs. (Dec.)	17,480,798	19,198,220	134,103,616	136,232,068
Sugar, cwt. (Dec.)	456,587	247,007	9,093,823	9,539,653
Petroleum, refined, gals. (Dec.)	13,863,411	8,190,314	162,379,725	126,680,519
Coal, tons. (Dec.)	1,714,023	1,363,488	17,194,761	18,172,996
Exports of Key Products—				
Newsprint, cwt. (Dec.)	4,263,244	3,584,043	44,131,754	37,637,308
Automobiles, No. (Dec.)	6,646	2,193	79,388	57,414
Wheat, bush. (Dec.)	49,088,963	44,808,700	365,428,561	255,062,125
Wheat flour, bbls. (Dec.)	922,965	956,762	10,787,266	9,262,936
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,438,880	1,313,884	14,461,151	12,848,668
Population—				
Emigration (Dec.)	8,501	8,110	.....	.....
Immigration (Oct.)	8,041	9,433	.....	.....
Finance—				
Failures, No. (Dec.)	230	176	2,037	1,841
Failures, Liabilities	$ 4,178,022	$ 3,088,127	$ 32,455,437	$ 30,634,469
Bank Debits (Dec.)	$3,866,181,970	$ 3,274,077,903	$43,472,208,879	$36,093,503,098
Bond Sales (Jan., '29)	$ 39,857,257	$ 37,041,456	$ 53,309,257	$ 47,640,665
Insurance Sales (Dec.)	$ 56,647,000	$ 48,899,000	$ 580,674,000	$ 502,488,000
Wholesale Prices (1913-100)—	**1929**	**1928**		
General Index (Jan.)	94.5	96.5	.....	.....
Iron	93.3	93.7	.....	.....
Cottons, raw	115.6	117.0	.....	.....
Grains	86.4	97.0	.....	.....
Cattle	106.4	106.9	.....	.....
Rubber	69.9	78.1	.....	.....

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Principal and half-yearly interest (1st of June and 1st of December) payable in gold coin of Canada, at the main branch of the Canadian Bank of Commerce in Toronto, Hamilton, Guelph and Stratford in Ontario and in Montreal and Quebec in Quebec. Bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal; redeemable in whole or in part on any interest date, before maturity, on 60 days' notice at 104 and interest up to and including December 1st, 1933; thereafter at 103 and interest up to and including December 1st, 1938; thereafter at 102 and interest up to and including December 1st, 1943; and thereafter at 101 and interest.

Trustee: CHARTERED TRUST & EXECUTOR COMPANY, TORONTO.

Property: Adelaide-Peter Buildings, Limited, is the owner of the property on the south-east corner of Adelaide St. W. and Peter St., Toronto, having a frontage of 137 feet 6 inches on Adelaide St. by 99 feet on Peter St. There is a public lane on the east side of the building, and the company is providing 10 feet for a private lane on the south side of the building, thus ensuring light and air on all four sides.

Building: On the above property there is now being erected by Wilde & Brydon, Limited, engineers and contractors (successors to the Carswell Construction Company), a modern, fire-proof, 10-storey and basement building of brick, concrete and steel, specially designed for tenants engaged in light manufacturing, or wholesale merchandising, and for manufacturers' agents.

Superior Location: This "Loft" building will be the finest of its kind in Toronto, and will be in the centre of many of the buildings of the same type which are now fully occupied at remunerative rentals, in the south central section of Toronto's business area, which has developed into almost an exclusive light manufacturing district.

Owners: The principals of the Adelaide-Peter Building, Limited, are Mr. Simon Fremes and his sons, who will own the entire equity in the property which they purchased, for the development they are now carrying out, some years ago. The Fremes family have been long and favorably known to the jewellery trade, and to business men of Toronto as successful and substantial manufacturing jewellers. They will occupy one floor in the building themselves.

Leases: Mr. Charles Fremes, who will manage the building for the owners, has already had several inquiries for space in the new building, construction of which has just commenced. Negotiations are now in progress for over 75% of the rental area, and no difficulty is anticipated in closing long-term leases with reliable tenants for all the space in the building by the time it is ready for occupancy, about June 15th, 1929.

Security: The security for these bonds is the land and buildings, and a floating charge on all the other assets and undertaking of the company.

Valuation: Mr. W. N. Lonsdale, real estate valuator of Toronto, in a letter dated January 15, 1929, places a value on the land of $750 per foot, or $102,750, and on the building when completed, of $498,250, making a total value of $601,000.

Earnings: There will be 120,000 square feet of space for rental, and based on the prices asked for space in buildings of the same type in the same district, the owner estimates the gross revenue at $78,000. After allowing 10% for vacancies and deducting taxes and all operating expenses, which will not exceed $20,000 per annum, there will be available $50,200, which is over twice the annual bond interest on this issue.

Sinking Fund: A sinking fund of $8,000 annually payable in monthly instalments plus interest on bonds redeemed commences in December, 1930. This will be sufficient to reduce the bond issue by maturity to $125,000.

Monthly Payments: The Trust Deed provides that the Company shall pay to the Trustee monthly commencing 1st June, 1929, one-twelfth of the annual interest requirements and monthly, commencing with the 1st December, 1930, one-twelfth of the sinking fund and municipal tax requirements.

Indemnity Bond: The Trust Deed provides that the building shall be insured for its full insurable value in favor of the Trustee for the bondholders, and the contractor has furnished to the Trustee an indemnity bond for the erection and completion of the building by the contractors in accordance with the terms of the contract.

We offer these bonds for delivery, if, as and when, received by us and subject to the approval of all legal details by Messrs. Rowell, Reid, Wright & McMillan for the underwriters, and Messrs. King & King for the Company

PRICE: 99 and Interest, yielding about 6⅜%

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The statements contained in this advertisement are based on information we believe to be reliable, and on which we acted in purchasing the bonds, although we do not guarantee their accuracy

Pulp & Paper

BROMPTON EARNS $3.56 ON COMMON DURING PAST YEAR

Company's Position Improved Despite Uncertainty in Industry

From Our Own Correspondent

MONTREAL.—Earnings of $3.56 a share on the 300,000 no par value common shares now outstanding, are shown in the annual financial statement of Brompton Pulp and Paper Company for the year ending December 31, 1928.

The consolidated profit and loss account of Brompton and its subsidiary, the Claremont Paper Company, shows gross operating profits for the year, before depreciation and other charges, of $1,655,396. Reserves for depreciation and income tax were maintained at a high figure, $585,865, leaving a balance of $1,069,531 available for the common stock.

Appropriations were made from this balance for bond interest and preferred dividends on securities now redeemed amounting to $364,629, and dividends were paid on common stock, amounting to $375,000, leaving $329,902 carried to surplus.

It is understood that special nnnrecurring charges of over $100,000 were met during the year and charged to operations, and when it is remembered that the Brompton-ville mill was forced to close down during January, 1928, due to a freeze up, thus causing a material curtailment of production, the profit and loss statement is all the more favorable.

Showing is Good

The report clearly shows that despite the difficulties and problems for the industry, Brompton has been able to hold its own. Since new financial interests took over last year, various economies have been effected and the organization generally strengthened. This, combined with certain features such as low cost wood and that more than half of the company's earnings are derived from products other than newsprint, places the organization in a sound position.

The consolidated balance sheet shows several important changes since a year ago. The previous funded debt amounting to $4,741,000 has been retired, as also have 18,771 shares of the 8 per cent cumulative preference stock. The preferred capital now stands at only $2,900. There remains in the capital structure 300,000 shares of common stock outstanding without par value, compared with 140,000 at the end of 1927. Brompton being without any fixed charges and having a very strong current position is financed to weather any storm in the industry. The statement shows a much stronger liquid position than a year ago. Net working capital is up approximately 42 per cent, amounting to $3,485,339 at December 31, 1928, compared with $2,447,619 at the end of 1927. Current assets have been increased over 8 per cent. from $4,187,943 in the previous year to $4,546,422 in the present statement. Current liabilities have been reduced 39 per cent from $1,740,324 in 1927 to $1,061,083 at the end of last year.

Two-Year Wood Supply

Inventories, the largest item in current assets, are shown at $3,539,219, compared with $3,120,051 in 1927. The company's high inventories are accounted for by the fact that it has almost two years' supply of wood now on hand at the mills. No logging operations have been carried on during this winter, which will materially reduce the inventories and result in still further strengthening of the current position.

On the liability side of the balance sheet bank loans show a reduction of $390,000, and accounts payable are down from $798,225 in 1927 to $559,694 on December 31 last.

The consolidated profit and loss statement of Brompton covering the past two years follows:

Consolidated Profit and Loss Account

	1928	1927
Gross profit	$1,655,396	$1,545,130
Reserve for deprec. and Income tax	585,865	571,699
Balance	$1,069,531	$ 973,431
Deduct: Charges on bonds and preferred now redeemed	364,629	447,551
Common dividends	375,000	281,750
Bal. carr. to surplus	$ 329,902	$ 244,130

Great Lakes Paper Making Progress with New Machine

From Our Own Correspondent

MONTREAL.—Work of assembling the 300 inch Fourdrinier paper machine for the Great Lakes Paper Company at Fort William is proceeding, and when installed will be one of the largest in Canada. It is expected that the machine will be in operation by April next and it is hoped that the completion of a sulphite mill will synchronize with this arrangement. A sulphite tower has been erected and the remainder of the building will be finished shortly.

Thunder Bay Paper Co. New Officers Announced

From Our Own Correspondent

MONTREAL.—Following up the announcement of the purchase of the Thunder Bay Paper Company's plant at Port Arthur, Ont., by the Canada Power and Paper Company and the Abitibi Power and Paper Company, changes have been made in the management. Alexander Smith has been appointed president; F. A. Sabbaton, vice-president; L. R. Wilson, managing director; W. H. Smith, secretary-treasurer; and T. Broadhurst, assistant secretary-treasurer.

New Brunswick Pulpwood Shipments Heavy This Year

From Our Own Correspondent

MONTREAL.—Despite the lack of snow, shipments of pulpwood from New Brunswick, by rail this winter, have been of greater volume than last winter. The Maine pulp producers have been manifesting more interest in New Brunswick wood and most of the shipments are going to the mill in the adjoining State, with the rail hauls in most instances, short. Between Saint John and Vanceboro on the Canadian Pacific, considerable shipping activity is prevailing.

Twine Industry Expands

During the year 1927 there were three new concerns added to the 11 existing ones engaged in the production of cordage, rope and twine. The net value of the products rose within the year from $3,007,865 to $3,327,769; the gross production being $10,574,682 in 1926 and $10,827,418 in 1927.

Statistics Show No Improvement in Paper Market

May be Some Immediate Betterment in Newsprint Stocks, Though

OUTLOOK IS SAME

Only Speculators Will Try to Reap Benefit of Price Stabilization in Industry

From Our Own Correspondent

MONTREAL.—The demand for newsprint in the United States is not yet showing an increase proportional with the growth of the newsprint industry. The Newsprint Service Bureau reports that in the 30 leading cities of the U. S. in January, newspaper advertising was only 3 per cent more than in 1928 and 1 per cent less than in 1927. Advertising in national publications in the U. S. was 8 per cent less in January and February of 1929 than in the first two months of 1928 and only about equal to the figures of 1927.

However, offsetting these adverse features, the U. S. dailies with a circulation of 100,000 and over printed on the average 30 pages in January, 1929, as against 29 pages in January, 1928. The weekly editions of the larger newspapers printed 103 pages as against 100 pages in January last year.

But Output Grows, Too

In January, the newsprint mills on this continent produced 10 per cent more newsprint than in January, 1928. While import figures into the U. S. in 1928 were 9 per cent larger than in 1927, yet the production of the U. S. mills during the past 12 months has declined somewhat from 1927. Thus there is some surplus of newsprint production on this continent over and above the continental requirements. This surplus finds its way into overseas markets.

The combination of declining advertising, coupled with larger daily newspapers in the States indicates that the publishers are making less money. At the same time, by the addition of news features, they are fighting to increase their circulations. On the whole, the statistical features of the newsprint situation are not particularly unfavorable—but as yet they in no way indicate any early increase in the demand such as would improve materially the situation surrounding the Canadian newsprint mills. True, the newsprint stocks have been stronger of late due to the negotiations, leading to a price stabilization.

But is Not a Cure-all

But price stabilization cannot be regarded as a cure-all for the industry. The Canadian newsprint industry will begin to forge ahead only when the demand for newsprint shows signs of beginning to approach the increasing capacity of the mills. This seems to be some distance off as yet.

For the long pull investor, as opposed to the speculator, the situation in the newsprint industry seems little changed despite the activity which has prevailed in the newsprint shares of late. The views which The Financial Post has frequently expressed on the newsprint situation have been summarized in the following remarks printed in the current weekly review of financial affairs published by Greenshields & Company:

"On the assumption, which we believe is sound, that the majority of companies cannot make profit on a $50 price for newsprint and that profit is small on a $55 price, we continue to the view expressed on newsprint stocks several times during recent months. A condition of supply and demand rules this industry. It seems unlikely that any form of permanent relief will be established until demand equals or exceeds supply. As far as one can judge at present it is likely to be a matter of years rather than months before this much to me desired situation can be realized. We therefore advise our clients to approach the common stocks of newsprint companies with considerable caution and if they are purchasing common stock equities to do so only in the light of the long pull."

Market Will Be Better

From a speculative viewpoint, price stabilization seems likely to create some demand for the newsprint stocks, as they have virtually all been sold to a standstill. Apparently a little improvement marketwise in the position of the newsprint stocks can be anticipated. Regarded from the viewpoint of the investor, though, the price stabilization activities can only be regarded in the light of a temporary remedy which will only prove of value provided the age old laws of supply and demand ultimately provide the permanent cure for the ills of the existing situation.

All factors indicate that eventually the demand will be such as to improve the situation surrounding the newsprint industry—unless, at a later date, unforeseen factors make their appearance, tending to prolong the present over-expanded position in which the newsprint industry finds itself.

Dryden Paper Co. Opens New Markets

MONTREAL.—Although its contract with the Bates Valve Bag Company takes a large share of its output, the Dryden Paper Company has been active in developing additional outlets for its products. Among the new customers secured are the T. Eaton Company, Limited; Hudson's Bay Company and Barrett Company.

Furthermore the milling companies throughout Western Canada are now considering the adoption of kraft paper containers for their flour products. Should the milling companies decide on this type of container, a new and extensive market will be opened to the Dryden Paper products, which exclusively manufactures these containers in the West.

ROLLAND PAPER SHOWED INCREASE IN 1928 EARNINGS

Recent Report Only Covered Seven Months' Operations

From Our Own Correspondent

MONTREAL.—Though the financial statement covering the first seven months operations of Rolland Paper showed net operating earnings of $258,607, net earnings for the twelve months operations ended December 31, 1928, were $461,394. This figure compares most favorably with earnings in 1927 of $331,353.

On the basis of full annual bond interest and preferred dividend requirements, depreciation of $40,000, and $13,000 written off for organization expenses, earnings applicable to the common stock were equivalent to approximately $3 a share.

The outlook for Rolland Paper is bright. The fine paper manufacturers are enjoying an era of almost unprecedented prosperity; unlike the newsprint industry the fine paper business is not over expanded, and the companies are getting a good price for their output.

Earnings Should Grow

If there is no change in the situation during the present year, and there is naught to indicate the imminence of such an occurrence, Rolland Paper should increase its earnings still further during the current year. The company has installed a new 86 inch fine paper machine which will come into operation shortly, and increased output from this source should be reflected in earnings in 1929.

Rolland Paper owns and operates a paper mill at Mont Rolland, Que., having an annual capacity of 5,300 tons of sulphite bond and rag stock paper. In addition to this the company operates a mill at St. Jerome, having an annual capacity of 1,600 tons of high grade rag stock tub sized and loft dried. The new paper machine is being installed at this mill, and the total capacity of the company's plants will be brought up to more than 8,200 tons a year. Machinery in both mills is operated from adjacent hydraulic developments owned by the company, the total installed capacities being 2,200 horsepower.

Preferred Have Rights

The preferred shares of Rolland Paper carry valuable rights. The shares carry warrants entitling holders to purchase common shares at the rate of three common for every ten preferred, at $32 after June 1, 1929, to June 1. 1930, thereafter at $40 to June 1, 1934.

The present company was formed in June, 1928. Previous to this the company had been in operation for 46 years, producing high grade bond writing and ledger papers.

Provided there is no drastic change in the situation surrounding the fine paper industry, Rolland Paper should continue to increase its earnings.

Melchers Sell Whiskey, Add to Storage Capacity

From Our Own Correspondent

MONTREAL.—It is reported that additional storage facilities for Melcher's Distilleries are now in course of construction, which will bring the total storage capacity to 1,800,000 gallons. These additional facilities will be used, on completion, for the storing of whisky—a product the company has been distilling for the past three years. This whiskey is now ready to be marketed, and should prove a source of further revenue.

Melchers Distilleries has only recently commanded a public investment interest. The company has been in operation for over thirty years, and its principal product, Melchers Geneva Gin, has been distributed throughout Canada. The distilling plant has a capacity of approximately 2,000,000 gallons a year; this plant is equipped to handle all the saleable by-products of distillation. In addition to its sales of liquor, the company has a contract with the Fleischmann Company of Canada, for the sale of its by-product, yeast, at satisfactory prices, for a period of ten years.

The capital structure of Melchers consists of 100,000 shares of class A shares and 50,000 shares of class B, both of no par value. Class A stock has priority as to dividends up to $2 a share, class B then is entitled to dividends up to $4 a share, after which both stocks share equally. The company recently declared a dividend of 50 cents on the class A stock.

Test Garnet Wheat

At a meeting between Hon. Dr. W. R. Motherwell, Minister of Agriculture, and a large deputation of persons interested in the western grain trade, it was decided to send a shipment of about 10,000 bushels of Garnet wheat to millers in Great Britain and other countries with a request for their opinions. A distribution is also to be made to Canadian millers. If no adverse criticisms are heard from the overseas millers it is expected that the grain board will put Garnet into the same grade as Marquis for the 1929 crop. The arrangements for the distribution are in the hands of the Department of Trade and Commerce.

BATHURST POWER NET PROFITS FAIR FOR INITIAL YEAR

Earnings Equal to Nearly 30 Cents a Share on Class A

From Our Own Correspondent

MONTREAL.—Profits for the year 1928 amounting to $411,781 are reported by the Bathurst Power and Paper Company. This is after the deduction of all operating, selling and management expenses, and after making provision for depletion of timber limits at the rate of $1 per cord on wood cut.

After further deduction for depreciation, interest on bonds, since redeemed, and other items amounting to $250,034, there remains a net profit of $121,746. This amounts to nearly 30 cents a share on the 400,000 shares of no par value Class "A" common stock outstanding.

Start New Machine

At a meeting of the directors, encouraging reports regarding the company's business were presented and the feeling expressed that the company will substantially benefit as soon as conditions in the newsprint industry are stabilized. The company's second machine of 80 tons capacity is expected to be in operation by April 1.

A. R. Graustein resigned his seat on the board as president and director, and Brigadier-General J. C. White was elected president with A. G. McLean, vice-president and general manager, H. J. Webb, vice-president and treasurer. The other directors are as follows: A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, and G. H. Montgomery, K. C.

The directors declared a dividend of 25 cents a share on the Class "A" common stock, payable on March 15, to shareholders as at February 28. The annual meeting of the company will be held on Wednesday, March 20. The annual report will not be published for some time yet.

Import Swedish Reindeer

A cable from Stockholm states that a consignment of 300 live Swedish reindeer has been shipped to Canada through a Norwegian port. This is the largest shipment of the sort ever to go forward.

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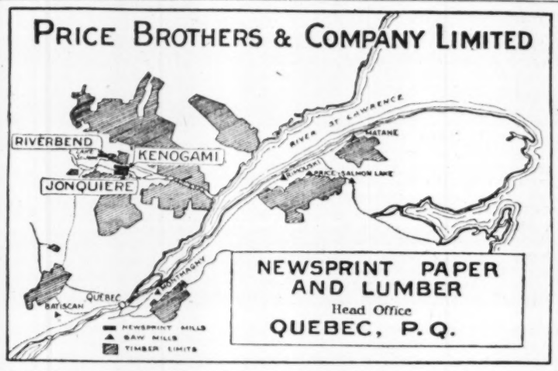

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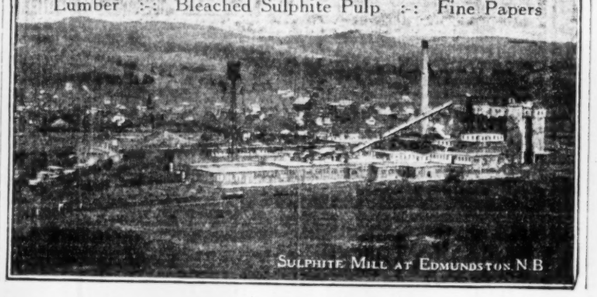
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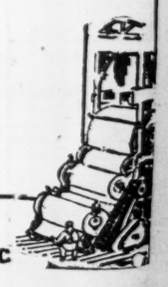
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Inter-City Baking

Are the bonds of the Inter-City Baking Company a good sound issue?

We regard the bonds of the Inter-City Baking Company as a first class issue which might well be included in any investment list.

Foreign Power

I am the holder of Foreign Power Corporation preferred and common, and I should like to know something of the outlook for the shares.

Foreign Power Corporation preferred is a business man's preferred stock. The subsidiary company is steadily increasing its earnings. You can regard your common as a speculation which has certain attractions, as a long hold.

Canada Power

I have some funds for investment in sound bonds. I only want safe securities. I have been advised to purchase the Canada Power and Paper Corporation debentures. Is this a first class issue?

Canada Power and Paper Corporation debentures are only a fair issue. There are many other industrial issues which appeal to us more than these debentures for your particular investment purposes.

B. C. Power

I am the holder of some B. C. Power Corporation "A" and "B" shares and would like your opinion on their safety, possibilities of appreciation and general investment position occupied by these securities.

Your B.C. Power Corporation "A" and "B" shares are a satisfactory investment. They can be regarded as virtually investment stocks, but you cannot anticipate any immediate appreciation. However, over a term of years we feel that both classes of stock should appreciate.

Canadian Brewing

In a group of speculative stocks I hold some Canadian Brewing. Shall I hang on or sell out? I have lost money on the stock to date.

You will see in a recent issue of The Financial Post a long article on the present status of Canadian Brewing. On the whole, we are inclined to feel that in a diversified list such as you hold, you might hang on to your Canadian Brewing. While the stock is speculative, yet it returns a good yield and over a long pull stands, we feel, a chance of appreciation.

Canada Cement

What do you think of Canada Cement common shares as a six months hold?

We do not think anything about the Canada Cement common shares as a six months hold. It is not that kind of a stock.

The record of the shares of the predecessor company was one of more or less steady appreciation over a long term of years. If Canada grows, as it gives every indication of growing over the next few years, Canada Cement stock will probably continue its appreciation.

Fraser Companies

I am the holder of a block of Fraser Companies common shares. How do you fancy this stock?

Fraser Companies' common stock looks fairly satisfactory as a two or three year hold. At present prices, the stock, we feel, has discounted very largely some of the potentialities of the future. Hence, it must be regarded as a long hold—perhaps for as long as three or four years. Nevertheless, the company is well managed and the stock might be included in any diversified list.

Todd Larkin's Stocks

I bought some of Todd Larkin's Quartz Lake Mines. Are the shares any good? By an additional payment I can switch this stock into shares of Monarch Royalties. Would I be wise in doing so?

We would advise you to have nothing to do with Todd Larkin and his promotions. We feel that you can kiss your money in Quartz Lake Mines good-bye. In our estimation, Monarch Royalties has nothing attractive to offer the investor. We certainly would not advise you to switch your stock and pay more.

Montreal Island

I am the holder of Montreal Island Power preferred shares. This stock has common stock purchase rights attached to it which expire within the next few months. How do you regard these shares and their warrants?

Your Montreal Island Power preferred is an excellent preferred stock issue. Probably before the rights to subscribe to common stock expire, a market will be made for the common and you will be able to exercise your warrants at a profit. As a long hold, we feel the common stock of this company will do well.

Two Power Stocks

I have been urged to switch my Montreal Power into Power Corporation of Canada. Would such a move be wise?

We rather doubt the advisability of switching from Montreal Power to Power Corporation common. Power Corporation is an attractive stock, but it has not got the stability or the proven record of Montreal Power. We think it would be better if you held on to your Montreal Power and when additional investment funds became available to purchase a few shares of Power Corporation.

Eastern Dairies

What investment class do the shares of Eastern Dairies preferred and common occupy?

Eastern Dairies preferred can be regarded as a satisfactory preferred issue for a business man who wishes to increase the average yield from his holdings.

The common shares over a term should do well marketwise. The company is constantly growing and we feel that in the long run it stands a good chance of bringing a handsome market appreciation to the holders of the common. The common, of course, is speculative.

Regent Knitting

As I am a holder of some Regent Knitting Company shares, please give me the benefit of your advice on this stock. Do you think it will appreciate soon? Is it a hold or a sale?

We see no immediate expectation for an appreciation in the shares of the Regent Knitting Company.

Regent Knitting is a well managed little organization which has done well in the past and which should do well in the future. The stock can be regarded as a satisfactory hold for a business man who has a diversified list of similar securities. The record of the company over a term of years indicates that it will make progress in the future.

DeForest Phonofilm

I have a client with some shares of the De Forest Phonofilm Company. For him, I should like to obtain your views on the outlook for the future of this stock.

We feel that your client stands little or no chance of obtaining a return from his gamble in the De Forest Phonophilm shares. The De Forest system seems to have been passed by in the development of the talking moving pictures.

The De Forest Phonophilm of Canada some time ago tried to obtain an injunction to prevent the showing of other talking movies in Montreal, alleging that the De Forest patent had been infringed. The company was not successful in obtaining this injunction. Other litigation is under way. But frankly we can see no hope for the future of this company.

Hamilton Bridge

I have a 25 point appreciation in my shares of Hamilton Bridge. I have made a good quick turn on the stock. Should I sell now or hang on?

As you purchased your Hamilton Bridge stock apparently with an idea of obtaining a quick appreciation, we would advise you to sell the shares as you have already obtained the appreciation which you desired.

Hamilton Bridge stock can only be regarded as a speculative issue. The bridge building companies are all doing well now and are likely to do well through 1929. Nevertheless, all the bridge companies have passed through exceedingly thin times in the past and may again do so in the future. By the end of the year, the stock may be somewhat stronger—depending on the constructional activity which prevails in the Dominion at that time.

Canadian Pacific

As an American subscriber to The Financial Post, I would be glad if you could furnish me with some information on C.P.R. Do you think there is any chance of increased dividends?

The Canadian Pacific is not restricted in any way by law on its dividend payments. We are inclined to feel that there is little chance of the Canadian Pacific increasing its dividends for a long while. The shareholder can hope, though, for the issuance of valuable stock rights from time to time. Moreover, the shares will no doubt keep pace marketwise with the growth of the company's subsidiary activities, such as the Consolidated Mines and Smelting Company of Canada and its steamship services.

Any increase in the dividend rates at the present time would probably be met with an outcry for lower freight rates throughout Canada. Obviously the management would wish to avoid this.

North American Pulp

In going through my safety deposit box to-day, some shares of North American Pulp and Paper Company turned up. I had forgotten all about these shares and had written them off entirely. Have they any value? And what should I do with them?

Your shares of the North American Pulp and Paper Company should be sent immediately to E. A. Bertrand, 242 Prince Arthur West, Montreal. He is acting liquidator for the Saguenay Pulp and Power Company. In turn, he will issue shares of the Saguenay Pulp and Power Company. These shares he will retain in your name and forward you a share certificate. The North American shares should have been exchanged for Saguenay shares a good many years ago.

The Saguenay Pulp and Power is now being liquidated. There will be little available for the shareholders, but perhaps in the end you may obtain something for your holdings of the North American Pulp and Paper Company.

C. W. Lindsay

A good friend of mine tells me that C. W. Lindsay common is an excellent purchase right now. If he is correct, I shall purchase it. What are your views on the stock?

C. W. Lindsay common looked much more attractive to us a week or two ago when it was selling at $35 a share than it does now at $45 a share.

However, if the stock is included in a diversified list of similar business man's stocks, we feel that it is a satisfactory hold and higher prices soon are possible.

The favorable point about the company is that it has a long record of success behind it. The unfavorable features, of course, indicate the fact that the shares are not seasoned marketwise, and that the outlook for the future depends largely on the merchandising ability of the Lindsay organization. Another favorable point in any consideration of the stock is the fact that earnings are excellent.

Thus, if you care to include some Lindsay common shares in a diversified list of similar stocks, we feel it would prove to be a satisfactory purchase.

Midland Pacific

Some Midland Pacific Terminal 6½ per cent first mortgage bonds have recently come into my possession. Do you regard them as a sound investment?

Midland Pacific Terminals Limited 6 1-2 per cent first mortgage bonds should prove a satisfactory investment. This company is controlled by the Midland and Pacific Grain Corporation, Limited, which in turn controls or owns some 43 elevators situated in Alberta, Saskatchewan and Manitoba. The parent company guarantees to give all its westward business to the Midland Pacific Terminals Elevators insofar as this elevator can handle their business.

The management has been interested in the operation of a small terminal at Vancouver, the operating profits of which, in the year ended June 30, 1927, amounted to over $114,000. This unit has been taken over by the Midland Pacific Terminals, Limited, and considerably enlarged. Accordingly, with the business offered by the parent company, there is no reason why the Midland Pacific Terminals should not report satisfactory profits from year to year.

Canada Foundries

I notice your paper says that the Canada Foundries and Forgings "A" shares pay $1.50 a share, yet I see quotations on the stock and it said only 37½ c. a share. Which is correct? If it pays $1.50 a share I am considering purchasing the stock. Would I be wise in so doing?

The Canada Foundries and Forgings "A" shares pay 37 1-2 cents a quarter which is equivalent to $1.50 a share per year.

In any consideration of this stock, you must remember that the company is but a small organization. On the other hand, we are inclined to feel that the shares perhaps have some potentialities in view of the substantially-increased activity in the equipment business generally. The record of the shares marketwise over the past few years, though, has not been attractive.

The class "A" shares are participating after $1.50 has been paid on the "B" shares. No dividends are being paid on the "B" stock.

The yield on the stock amounts to about 6 per cent at present prices. The stock can be regarded as a speculative issue and if purchased should only be included in a diversified list of similar securities.

Besco's Shares

Do you think the British Empire Steel Corporation has any chance of making progress? Why are they reorganizing the undertaking? Have you any idea of the plans of the forthcoming reorganization? Which do you prefer, the first preferred, the second preferred or the common shares as an investment?

We feel that over a term of years the Besco industries stand a good chance of making progress. When the reorganization is carried out, it will be possible to finance the undertaking and so provide improvements and extensions to the property which will permit lower operating costs. And lower operating costs are just what Besco requires most.

It is impossible to give you any idea of the terms of the forthcoming reorganization. No one knows what will be done. In fact the management of Besco itself does not know as yet.

Of the three Besco stocks, we are inclined to favor the first preferred shares. But we only regard this stock as a long hold speculation for a business man. We feel that the first preferred is more attractive than the second preferred because it is the first charge of the corporation and there is but $8,000,000 of first preferred outstanding as against $50,000,000 in second preferred.

Mines or Power

I have $2,000 for investment which I was thinking of placing in either Power Corporation of Canada or Sherritt-Gordon. Which would be better?

It is quite impossible for us to advise you about Power Corporation or Sherritt-Gordon as the two stocks are in completely different investment categories.

Power Corporation is an excellent investment which might well be included in any list. If you invested your $2,000 in Power Corporation, you could rest assured that all factors indicate an appreciation for the stock over a term of years. During the next year, of course, the stock will, like all others, have its market ups and downs. But as a long hold we regard Power Corporation common as an exceedingly attractive investment.

Sherritt-Gordon on the other hand is a speculation—it too, though, is an attractive purchase in its class. But it occupies an entirely different class to Power Corporation.

Sherritt-Gordon is one of the most promising of the major mining developments. Development work has not reached great depth as yet, but exceedingly excellent results have been reached as far as has been gone.

Hence, Sherritt-Gordon is an interesting stock for an investor who has a diversified list of similar speculative securities. Diversification is, of course, even more important in speculation than it is in straight investment.

Dominion Steel

Is there any market for the preferred shares of the Dominion Steel Corporation? What is the outlook for the stock? Shall I continue to hold it?

The preferred shares of the Dominion Steel Corporation are quoted on the Montreal Stock Exchange. The present price is around $42 a share.

These shares are the senior charge of the Dominion Steel Corporation, but they are speculative. Dominion Steel Corporation owns all the common shares and income bonds of both the Dominion Coal and the Dominion Iron and Steel. The latter is in the hands of the receiver.

While the Dominion Steel Corporation has an undoubtedly large and valuable asset in its holdings of all the common stock of the Dominion Coal Company, yet it also has a very large liability in its guarantee of a portion of the second mortgage bonds of the Dominion Iron and Steel.

So many speculative features enter into the situation surrounding these shares that it is really impossible to give you a reasoned opinion on the outlook for the future of the shares marketwise. About all that can be said is that they are decidedly speculative.

If you have a widely diversified list of speculative holdings, you might hang on to the stock. If you have no such a widely diversified list, we think you would perhaps be better advised to sell your holdings and reinvest the proceeds in some long term gilt edged, promising common stock, such as, Montreal Power or Shawinigan.

Canadian Hydro

In a diversified list I am thinking of including some Canadian Hydro Electric Company first preferred stock. Please favor me with your views on this issue.

The Canadian Hydro Electric Company is a subsidiary of the International Paper Company. The parent company owns $25,000,000 of the Canadian Hydro-Electric Corporation's second preferred and 1,000,000 shares of common stock. Hence, the only investment interest in the Canadian Hydro-Electric lies in its $12,500,000 issue of first 6 per cent cumulative preferred.

We regard the Canadian Hydro-Electric first preferred as an excellent investment in the preferred stock public utility class. As time goes on, we are confident that the investment position of the stock should grow stronger. Steadily, the subsidiaries of the Canadian Hydro-Electric Corporation are increasing their output of electric energy and steadily increasing their earnings.

The Canadian Hydro-Electric Corporation is a holding company which owns virtually all the preferred and common stock of the Gatineau Power Company and the St. John River Power Company. In addition, Canadian Hydro-Electric owns and controls most of the preferred shares of a group of other distributing companies associated with these two power producing organizations.

After the security has become more seasoned, we feel that it will rank with the outstanding power and public utility securities available on Canadian exchanges.

Brompton or Steel

I hold some Brompton stock at $60 a share. I was thinking of switching into General Steel Wares with the idea that I would stand a better chance of obtaining my money back. What do you think of such a switch?

As a long hold—it may be two or three years—we feel that Brompton shares look decidedly attractive. All factors indicate that the company will be able to earn and maintain its dividends during the current year, despite the unsatisfactory situation in the newsprint industry. Earnings come from the output of newsprint and other grades.

If, as and when the newsprint industry recovers somewhat, Brompton Pulp and Paper will benefit materially. If the newsprint situation does not improve within the next year or so, Brompton's earnings will not increase.

It is difficult to compare the merits of Brompton and General Steel Wares as they are both business men's semi-speculative stocks.

We feel that the slightest improvement in the newsprint situation within the next twelve months would result in materially increasing the prices for Brompton shares. At the same time, we feel also that during the next twelve months General Steel Wares will appreciate and that during the next eighteen months dividends will be initiated on this stock. General Steel Wares occupies a remarkably strong financial position and its outlook for the future we believe to be excellent.

Perhaps you might sell some of your Brompton and place some of it in General Steel Wares. This would tend to diversify your list—and diversification is of prime importance in speculation.

When Women Invest

Attractions of Common Offset Low Yield on Investment Corp. Debentures; Ventures Ltd. for Person with Background of Conservative Investment; No Gambles Recommended

A WEEKLY FEATURE

Kindly let me know what you think of me investing one or $2,000 in the newly formed Consolidated Investment Corp.

Do you think that the principal would be secure?

Do you think that there is any chance of the common stock being worthwhile and increasing in value? Four and a half per cent is not very much to offer these days and I would like to know what you think of such an investment?

Again what do you think of investing some $2,000 or $5,000 (out of about $15,000 in 33 Victory bonds) in C.P.R. stock? I feel that I ought to get rid of these 33 bonds while the rates of interest are high. Give us your opinion?

My daughter had $100 of 1933 Victory loan left to her, would you advise her to invest it in Falconbridge Nickel or if not, what would you advise her to do with it.

I bought a few shares of Massey-Harris common at 90 recently. Is it a good hold?

As you say, four-and-a-half per cent is not a high income, but the bonus of common stock which comes with these debentures and the right to buy further common shares at set prices compensates the holder in some degree for the low interest rate. Meanwhile, we believe that the principal would be secure. There is a good chance that the common will increase in value.

We believe also that every Canadian investment list should include a few shares of Canadian Pacific Railway stock. This stock is one of the premier investments available in any country. An increase in the dividend rate on C.P.R. stock is not probable, but there will be, we believe, occasional rights to buy additional shares at prices somewhat under the market. Some further appreciation in the market value of the shares is likely. Canadian Pacific Railway, as you doubtless know, is excellently managed and it must progress with the country.

Daughter Has $100

We believe that Massey-Harris Co., common shares will continue to ascend in market value as the stock reflects the very substantial progress being made by the company.

If your daughter is determined to speculate with her $100, possibly Falconbridge Nickel is as attractive as any other mining speculation. As a rule, however, it would be more advisable for a person with such a limited capital to build a background of conservative investments before venturing into mining or other speculations.

We direct your attention to a series of articles now running in The Financial Post. These articles suggest investments for persons with $500 or less. A start hardly can be made, however, with much less than $500.

If I can get 100 shares of Ventures, Ltd., about to be placed on the market would you consider this an excellent speculation? Am not in need of an income at the present time but would like to increase my capital for future use.

I have my capital diversified—in mortgages, bonds, industrials, oils and mines.

A person with a background of conservative investments in mortgages, bonds, industrial stocks, etc., may speculate to some extent in mining stocks, although we do not think that any very large proportion of any person's funds should go into an industry which always has had an uncertain future. We are inclined to classify International Nickel in the industrial group because of the record of the company and the definite nature of its developments in the future.

As to Ventures, Ltd.

We think that Ventures, Ltd., is a promising speculation. It is a suitable commitment for any person who is in position to wait some time for returns and who would not be financially embarrassed if the principal were lost or impaired. There is a great deal of public interest in this issue and in the immediate future, at least, it may appreciate in market value more rapidly than some of the other mining stocks you hold.

A lady client of mine who has a good holding of Dominion government bonds is considering the sale of part of these, say $4,000, at the present time and the investment of the proceeds in high grade stocks which could be regarded as quite safe and at the same time would ultimately from dividends and enhancement of value give larger returns in the course of say five years.

I had thought that a selection could be safely made from amongst the following:

Shawinigan, Northern Power, Montreal Light, Heat and Power, Brazilian, British American Oil, International Nickel (has already 30 shares), Bell Telephone (has already 5 shares), International Petroleum, Steel Company of Canada, Imperial Oil, Ltd.

We see nothing in the list you propose as an investment for a woman that would be unsuitable. Montreal Light and Shawinigan are, as you know, two of the soundest Canadian stocks. We do not know to what company you refer when you speak of "Northern Power" as we do not know of any company with precisely that name.

Brazilian Traction and Steel Co., of Canada are two stocks which are in the first rank as is Imperial Oil.

"Pete" and Imperial Oil

It does not seem possible that International Petroleum would be a more profitable long pull investment than is Imperial Oil, while Imperial Oil is somewhat more conservative. It might not be necessary to include International Petroleum in any list which includes Imperial Oil. British American Oil should be a satisfactory investment, although we think the stock market is going to be disappointed in the matter of rights in the immediate future.

A moderate increase in the holdings of International Nickel probably would not be unadvisable.

Bell Telephone, of course, remains a satisfactory investment.

Looking for Gamble

I have $500 with which I would like to play the market, looking for a gamble to make some quick money. Also advise on some sound stock, profitable say in about two years.

We are unable to advise what stocks are likely to advance quickly, and we do not attempt to recommend gambles.

One of the soundest Canadian utility stocks is Quebec Power in your own city. Montreal Light, Heat and Power Consolidated is the dean of all Canadian investment stocks. We believe that there would be fairly substantial profits in holding these stocks for two years or longer. Other sound stocks, in the industrial class, are Steel Co. of Canada, Page-Hersey Tubes and City Dairy.

Income-Building Securities

Yielding 4½% to 6¾%

We offer and recommend for profitable investment:

	Price	Approx. Yield
GOVERNMENT BONDS		
Canadian National Railways (Dom. Gov.) 4½'s due December 1, 1968	96	4.72
Province of Nova Scotia 4½'s due Nov. 15, 1948	96½	4.75
PUBLIC UTILITY BONDS		
Canada Northern Power 5's due May 1, 1953	97½	5.10
Montreal Tramways 4½'s due April 1, 1955	90½	5.12
Gatineau Power 5's due June 1, 1956	97½	5.17
Detroit and Canada Tunnel 6½'s due May 1, 1948	97	6.75
INDUSTRIAL BONDS		
Abitibi Power and Paper 5's due June 1, 1953	mkt.	5.75
United Grain Growers 5's due Jan. 2, 1948	97	5.25
Dominion Tar and Chemical 6's due Jan. 2, 1949	mkt.	5.90
Metropolitan Corporation 6's due Oct. 1, 1947	100	6.00
Canada Power and Paper 5½'s due Jan. 1, 1958	mkt.	6.20
Howard Smith Paper 5½'s due June 1, 1953	97	5.75

Particulars regarding the above recommendations supplied on request.

Greenshields & Co

Investment Bankers

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also Mount Royal Hotel Building

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AN ATTRACTIVE INVESTMENT

THE ONTARIO WINE CO. LIMITED

NEW TORONTO - ONTARIO

A limited number of preferred shares available with a liberal common stock bonus.

Write or Phone directly to the Company.

Lakeside 5454

The

Willison Neely Corporation

Limited

DEALERS IN

Canadian Government, Municipal and "Dollar for Dollar" Bonds

CANADIAN PACIFIC BUILDING TORONTO

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CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

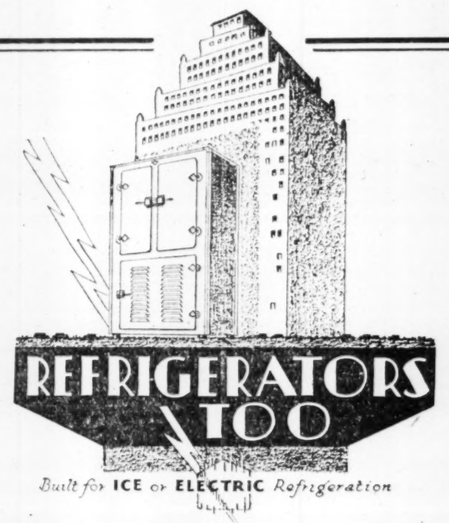
TUESDAY, THE SECOND DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, February 13th, 1929.



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GENERAL STEEL WARES LIMITED

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INVESTMENT BANKERS

A purely Western Canadian organization confining its activities solely to the buying and selling of investment securities.

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A Million Dollars a Day

EVERY business day in 1928, the 26 million policyholders of the Metropolitan Life Insurance Company, who are its sole owners, added a million dollars to the great reserve fund needed for their protection against the hazards of life and business — present and future.

Metropolitan Life Insurance Company

ONE form of life insurance provides education for children at the very time when their education costs most... Another kind of policy tides over enforced idleness because of accident or sickness. Another form of policy, paid for in regular installments, is a sound financial investment, as well as a protection.

* * *

Happily, more and more persons have a new understanding of what life insurance promises, what it can do and what it does do. They are learning that it does many different things equally well.

While the original purpose —to take care of the breadwinner's dependents in event of untimely death—has never been lost sight of, to-day life insurance is largely and directly concerned with the business of living.

* * *

The Metropolitan Life Insurance Company is a mutual organization. It has no stock and no stockholders. Its wealth is owned solely by its Policyholders.

Fiscal Report to Policyholders

For Year Ending December 31, 1928

Assets	$2,695,475,965.64
Liabilities:	
Statutory Reserve	$2,346,775,847.00
Dividends to Policyholders payable 1929	77,138,725.33
All other liabilities	111,485,393.38
Unassigned Funds	160,075,999.93
	$2,695,475,965.64
Increase in Assets during 1928	$306,828,329.32
Income in 1928	743,412,385.21
Gain in income, 1928	92,343,796.78
Paid-for Life Insurance Issued Increased and Revived in 1928	3,259.181.384.00
Total Bonuses and Dividends to Policyholders from 1897 to and including 1929	448,523,599.20

Life Insurance Outstanding

Ordinary Insurance	$7,825,652,878.00
Industrial Insurance (premiums payable weekly or monthly)	6,297,013,786.00
Group Insurance	2,249,289,338.00
Total Insurance Outstanding	16,371,956,002.00
Number of Policies in Force	42,329,281

(Including 1,304,569 Group Certificates)

In Canada:

Business issued in 1928	$212,055,277
Ordinary	$106,603,787
Industrial	$ 79,523,942
Group	$ 25,927,548
Business in force at end of 1928	$858,536,134
Ordinary	$447,016,323
Industrial	$352,634,050
Group	$ 58,885,761
Investments in Canada	$171,318,170
Dominion Government Bonds	$ 49,923,862
Provincial & Municipal Bonds	$ 64,133,130
All other Investments	$ 57,261,178
Policies in force in Canada	2,613,867
Payments to Canadian Policyholders in 1928	$ 12,940,046

The Metropolitan leads in Canada as it does in the world.

* * *

Employers and employees join together in buying another kind of insurance which provides leisure and freedom from financial worry in later years.

Business men build needed credit for business with life insurance policies . . . Final payments on homes are made certain by insurance.

About one person in every five in the United States and Canada shared in the Metropolitan's greatest year of service.

* * *

Total expenditures for Health and Welfare Work among Policyholders in 1928 was — $5,953,211.12. In Canada, 331,075 free nursing visits were made to sick Policyholders and 2,827,056 Health Pamphlets were distributed free.

HALEY FISKE
President

HENRY E. NORTH
Third Vice-President and Chief Agent for Canada

FREDERICK H. ECKER
Vice-President

METROPOLITAN LIFE INSURANCE COMPANY

Home Office: NEW YORK
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Biggest in the World, More Assets, More Policyholders, More Insurance in force, More new Insurance each year

"Not best because the biggest, but biggest because the best"

C.G.E. SELLS OUT FINANCE COMPANY FOR TIME SALES

Company Is to Broaden Scope of Its Operations

NAME UNCHANGED

Morris Plan of Financing Soon May be Applied in Canada

The Canadian Contract Purchase Company, which was organized for the handling of deferred payment paper covering instalment sales of products manufactured by the Canadian General Electric Company, has passed under the control of the Industrial Acceptance Corporation, which, last spring, also acquired from the General Electric Company, the General Contract Purchase Corporation and other affiliated companies operating within the United States.

The Industrial Acceptance Corporation of Canada, which is a subsidiary of the Industrial Acceptance Corporation, is already established in the Dominion, having its head office in Windsor and branches in Toronto, Montreal, Quebec, Regina and Calgary. Other branches will probably be opened in Halifax, Vancouver and Winnipeg at a latter date.

It is understood that a Toronto branch office is to be opened for the handling of the business just acquired, and that the entire personnel of the local concern mentioned will be transferred to the new owners. Thus, there will be no interruption in the continuity of operations as previously carried on by the subsidiary of the Canadian General Electric Company.

Not Change Company Name

Arthur J. Morris, president of the Industrial Finance Corporation, which controls the Industrial Acceptance Corporation, the Morris Plan Corporation of America and the Morris Plan banks, says that the name of the Canadian Contract Purchase Company being a valuable asset, it is not his intention, or that of his associates, to change the name so far as operations in the dominion are concerned.

The Canadian Contract Purchase Company was primarily organized to finance dealers in appliances manufactured by the Canadian General Electric Company, following in this regard the practice previously adopted by the parent company, the General Electric Company, of Schenctady, N.Y. After the latter concern had invested approximately $25,000,000 in this way, the management came to the conclusion that, as demands for similar purposes were still increasing, they would stick to the manufacturing and allow someone else to do the banking. It was felt that the financing of appliances should be in the hands of those specially qualified to look after such undertakings. The General Contract Purchase Corporation was consequently sold to the interests which have now taken over the like organization in the Dominion.

Broaden Scope of Operations

Up to the present, in carrying out the idea, the Canadian Contract Purchase Company has confined its activities to financing household appliances, electric ranges, and motors and garage equipment. But in future, it is understood, the Industrial Acceptance Corporation of Canada intends to greatly broaden its scope of operations, and will finance all lines of appliances, as well as motor cars, trucks and almost all forms of commercial paper. Three or four other divisions will be added later.

Arthur J. Morris, the central figure in what are termed the Morris interests in the United States, has suggested that it is perhaps too early to make an application of the Morris plan of financing to Canada, but has intimated that it is altogether likely that it will be given a try-out in the not distant future. He and his associates now have an investment of close upon $40,000,000 in their various enterprises across the line. What is called the Morris plan is designed to assist salaried people in doing their financing and has been found to work out well in practice. A man on salary can go to one of the Morris banks, and, so long as he can demonstrate that the funds demanded are to be used for a constructive purpose, such as the retirement of a mortgage on his home or the payment of a doctors' bill, to give only two examples, he can secure a loan in keeping with his earning capacity by providing two co-endorsers of his paper. The payments are spread over varying periods generally ranging from one to ten months.

Chartered Trust Elects Two New Vice-Presidents

Good progress was indicated in the report of the directors which was submitted at the annual meeting of Chartered Trust and Executor Company. The report was reviewed in these columns February 1.

John J. Gibson, general manager, reported to the meeting that the treasury stock of the company had now been all sold, making a total issue of $1,000,000 of which all was paid up but some $60,000.

At the directors' meeting held following the shareholders' meeting two new vice-presidents were elected, namely, James Y. Murdoch and the General Manager of the company, John J. Gibson.

Nothing Over $500

Suggestions for the Beginner in Investment Whose Capital is Limited

Suggestion No. 13 — Massey-Harris Co.

By J. G. JOHNSTON

The superstitious may avoid this suggestion No. 13, but the number serves as a reason for emphasizing the fact that investment is not a matter of luck—it is a matter of judgment. The ignorant investor occasionally may, through chance, pick a good investment. But chance in that case merely has directed him to take a step which judgment would have approved. Ill luck in investment can be avoided by the exercise of good sense, just as accusations of recklessness can be avoided by the motorist who drives sanely.

The individual who buys common shares of Massey-Harris Co., should buy, not because he believes that it will be a lucky stock, but because he believes that this company, which has a good history, will continue to progress.

Is Leading Company

Massey-Harris is the leading Canadian company engaged in the manufacture and distribution of agricultural implements. It is strong in every department and in virtually every country of agricultural importance. It manufactures a combine thresher which ranks with the best and it manufactures an infinite variety of small implements used by farmers everywhere. The management is excellent, the financial control is sound, the technical staff is able, manufacturing facilities are broad and the sales organization is complete and aggressive. The implements are well regarded by the users, the company's goodwill is valuable and, last but not least, the users of implements have been prospering in the last two or three years and are able to buy new implements as they need them.

As the leading company in its line in Canada, as a company which is important in the export trade, Massey-Harris Co. deserves a good investment ranking. Its common stock deserves a place on the diversified list of any Canadian investor. Five shares at present prices would cost around $450 and the broker's commission would be 30 cents the share.

Ploughs Back Earnings

When the Massey-Harris report for the fiscal year ended November 30, 1928, was published two weeks ago the stock receded in value in the stock market. The reason for the recession was that the company did not show as high earnings per share as had been expected in quarters which usually are well informed. But since then there has been a gradual increase in the market value.

The reason for the partial recovery lies in the betterment in the stock market itself, in the confidence in the future of the company which is held by the majority of shareholders and in the calm analysis of the report which reveals the company materially to have strengthened its financial position in the last year, to have done a greater business than ever before in its history, and to be now embarked on what promises to be a still better year.

After all the amount of profits per share which are shown must be considered in relation to the balance sheet position of the company. If earnings grew only moderately and there was not an improvement in working capital, and an increase in reserves, and if the company had not used much of its earnings for capital expenditures, then, and then only, would the market have been justified on the showing of the latest report to have marked down the value of the shares.

The fact is, that while Massey-Harris showed only moderate increase in earnings per share, this was only after earnings amounting to several dollars per share had been placed in new plant and equipment. The plant expenditures which were made in the fiscal year 1928 will contribute to the earnings of the company through 1929 and later years.

No Dividend As Yet

As this is written, there is no dividend on Massey-Harris Co. common stock. There may be soon. But whether dividend comes this year or next should be of small moment to the shareholder who has bought the shares for a hold of several years. The company, it is fair to assume, will make excellent use of the earnings which it does not pay out in dividends. Earnings used to increase the efficiency of operations, or to retire bonds or preferred stock which are prior charges on earnings, will contribute to the welfare of the holders of common shares in future years, by increasing the equity of the common shares and by increasing the proportion of gross earnings which are applicable to dividends on the common shares.

There have been some specific and apparently optimistic predictions as to what the company will earn in the next several years. Whether these predictions have been overly optimistic only time will show. But the investor can be assured that—barring economic disaster to the agricultural community in many countries—Massey-Harris will make substantial progress. This progress will be reflected in the market value of the common shares and in the return to shareholders by way of dividends or in rights to purchase new shares at somewhat under the prevailing market.

Stocks previously discussed in this series of articles for the small investor were, in the order named: City Dairy, Shawinigan Water & Power, Steel Co. of Canada, Imperial Oil, Power Corp., Brazilian Traction, Canadian Canners second preferred, Dominion Bridge, Loblaw Groceteria, Imperial Tobacco of Canada, Montreal Light, Heat & Power, Moore Corp.

Further Business Seen for Algoma Steel Corp.

From Our Own Correspondent

MONTREAL.—What is probably the forerunner of additional business is the special rail order just completed for the National Railways by Algoma Steel Corporation. This order consists of several thousand tons of intermediate manganese rails, which will be used on the eastern lines of the road. Manganese rails are a recent development and have a greater wearing quality than the high carbon open hearth steel rails. The cost is slightly higher than that of the open hearth rails, but their greater endurance more than offsets this.

Now that it has been shown that the manganese rails can be produced in Canada, further substantial orders may be looked for.

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ANNUAL REPORT

For the Year Ending 31st December, 1928

PROFIT AND LOSS ACCOUNT

For the Year ending 31st December, 1928

Gross Trading Profits for year ending 31st Dec., 1928		$ 785,919.52
DEDUCT—		
Interest on Bonds	$110,000.00	
Reserve for Depreciation on Plant	150,000.00	
Reserve for Income Tax	35,000.00	
Bad Debts written off	23,956.55	
		$ 318,956.55
Net Earnings for the year 1928		$ 466,962.97
DISBURSEMENTS		
Preferred Stock Dividend	$ 64,500.00	
Common Stock Dividend	258,072.00	
		$ 322,572.00
Surplus for the year		144,390.97
Brought forward from 31st December, 1927		1,539,831.25
Balance at Credit Profit and Loss Account		$1,684,222.22

BALANCE SHEET

31st December, 1928

ASSETS

FIXED		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, etc.—Less Depreciation		$4,561,726.41
Goodwill, Trade Marks, etc.		1.00
CURRENT		
Cash on hand and in Bank	$ 80,330.73	
Accounts Receivable	989,656.17	
Bills Receivable	8,262.45	
Deferred Charges	26,056.28	
Inventory of Raw and Manufactured Stock	2,617,778.24	
Investments	10,050.00	
Total Current Assets		$3,732,133.87
		$8,293,861.28

LIABILITIES

CAPITAL STOCK		
Authorized:		
15,000 shares Preferred Stock, of $100 each		$1,500,000.00
75,000 shares Common Stock, of no par value		.....
Issued:		
10,750 shares Preferred Stock	1,075,000.00	
64,518 shares Common Stock of no par value	2,150,600.00	
		$3,225,600.00
5½% FIRST MORTGAGE SINKING FUND BONDS, DUE 1st NOV., 1951	2,000,000.00	
Less Redeemed and Cancelled	40,000.00	
		1,960,000.00
Reserve Account		742,046.40
CURRENT LIABILITIES		
Accounts Payable	$ 311,054.48	
Bills	34,309.12	
Reserve for Income Tax	35,000.00	
Wages	51,629.06	
Bank Loans	250,000.00	
Total Current Liabilities		$ 681,992.66
Surplus—Balance Profit and Loss Account		1,684,222.22
INDIRECT LIABILITIES		$8,293,861.28

Customers' Paper under Discount, $210,843.40.

R. B. MORRICE, President. JAMES N. LAING, Vice-President.

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1928

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Bankers—Bank of Montreal.
Auditors—C. S. Scott & Co., Hamilton.

Durant Success Shown by Figures!

IN its report of the Durant Dealer Organization Annual Convention held in Toronto recently, the Toronto Globe published the following when referring to "the sound progress of Durant Motors of Canada, Limited":—

"Comparisons between 1928 and 1927 showed that the dealer organization had increased 31.5 per cent.; sales in the domestic market increased 38.8 per cent.; a very substantial increase was shown in the truck division; export business increased 42 per cent.; factory wages increased 49 per cent."

The Mail and Empire said:—

"The production of Durant cars in Canada in 1925 was 7,790. The total figures for last year were 15,438 or an increase of 97.9 per cent. during three years."

"The car sales for May, 1928 . . . saw an increase of 63 per cent. over May, 1927. Even more significant than this, however, as evidence of expansion, is the record of export trade, where an increase of 42 per cent. has been witnessed."

With a record that attracts the comment of the Canadian news and financial press; with a quality product that offers greater dollar value and with a dealer organization ever ready to uphold the Durant reputation for service, there is every confidence that 1929 will add further to the success of this growing company.

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Investment Recommendations

	Price	Yield
Consolidated Investment Corporation of Canada 4½% Bonds due February 15, 1959 (with stock warrants)	102.50	4.36
Massey-Harris Company, Limited, 5% Debentures due October 15, 1947	98.00	5.15
Dominion Tar & Chemical Company, Limited, 6% Debentures due January 2, 1949	102.50	5.79
Jones Bros. of Canada, Limited, 6½% First Mortgage Bonds due November 15, 1946	103.00	6.22
Kingdom of Roumania Monopolies Institute 7% Bonds due February 1, 1959	88.00	8.07

Subject to Price Changes

Gairdner & COMPANY LIMITED
Investment Bankers
357 Bay St. - Toronto

Further particulars furnished upon request.

Listed Bond Quotations

Week Ending February 26

Montreal—	Int. Rate	Due	Yield	Ask	Latest Price Bid	High	Low	Range 1928 High	Low	Range 1929 High	Low
Asbestos	6	1942	...	....	105	...	...	106	96	100	...
Asbestos, 1st mtge.	6	1941	6.63	96¾	...	94¾	94½	103	96	95¾	93
Asbestos, gen. mtge.	6	1956	7.18	85	...	86	...	99½	84	88	84½
Can. Car	6	1939	5.04	....	109	...	...	108	106½	....	....
Can. Cons. Rubber	6	1946	5.58	....	103½	...	...	103½	102½	104½	...
Can. Cottons	5	1940	...	....	....	...	...	99½	98¾	...	...
Can. Forgings	6	1942	...	....	....	...	...	98	...	...	...
Can. Locomotive	6	1951	6.12	....	100¼	...	...	100	98¼	98½	...
Can. Pr. & Pr., deb.	5½	1958	6.54	86½	86	86½	86	94	83	89¼	84
Can. S.S. deb.	5	1943	4.90	....	....	...	...	103¼	101	....	....
Cedar Rapids	5	1953	4.86	....	....	97½	...	105¾	96⅞	97½	...
Dom. Canners	6	1940	5.48	....	104	...	...	104¾	102	...	...
Dom. Coal	5	1940	5.24	....	97½	...	...	99⅞	95	98⅛	...
Dom. Iron	5	1929	...	....	95	...	...	102	94	...	...
Mex. Elec.	5	1942	8.88	....	70	...	...	78¼	69¼	...	...
Mex. L. H. & Pr.	5	1940	8.72	....	73½	...	...	87¾	70	74	71½
Mont. L. H. & Pr.	4½	1932	5.34	....	....	...	...	97	...	...	...
Mont. Tr., 1st mtge.	5	1941	5.07	99¾	98½	99	...	102¼	98¼	99⅜	97
Mont. Tr., "A"	5	1955	5.30	97¼	96	95¾	95½	102	97½	98½	95½
Mont. G. & R. S. F. "B"	5	1955	5.24	97¼	96	96½	95½	102	95	97¼	95½
Nat. Brew.	6	1939	...	....	....	...	...	105	104¾	...	...
N. S. Steel	5	1959	...	....	72	...	...	77	69	...	...
Ogilvie Flour "A"	6	1932	5.43	....	....	...	...	103½	101	...	...
Do. "B"	6	1932	...	103	101	...	...	103	102	...	...
Do. "C"	6	1932	...	....	....	...	...	104	...	...	...
Ont. Steel	6	1943	5.58	....	104	...	...	104	103⅝	104	...
Porto. R. Rly.	5	1936	...	....	....	...	...	91¾	...	...	...
Steel of Can.	6	1940	5.20	....	....	...	...	108	106	107	...
Wabasso	6	1947	5.91	....	101	...	...	103½	101	101	...
Wayagamack	6	1951	6.00	101	100½	100	...	105¼	100	100	...
West. K. Power	6	1940	...	....	....	...	...	101	...	...	...
Winn. Elec.	5	1935	...	....	....	...	...	100	99	...	...
Toronto—											
Canada Bread	6	1941	5.82	108	107½	...	...	108½	107	101½	...
Can. Canners	6	1950	5.80	....	101¼	...	...	102¼	101	102¼	101½
Dom. Canners	6	1940	...	....	....	...	...	104	104	...	...
Porto R. Rly.	5	1936	...	....	92	...	...	92¼	92	...	...
Postal Tele.	5	...	...	94	...	...	...	95¾	93¾	93¾	93
Steel of Can.	6	1940	...	....	107½	...	...	108	108	...	...
Dominion Govt. Bonds (Montreal)—											
War Loan	5	1931	4.85	100.30	100.00	100.30	100.05	102.85	99.90	100.55	98.80
Do.	5	1937	4.65	102.10	101.65	101.55	....	106.40	102.25	103.00	101.00
Victory Loan	5½	1933	4.94	102.30	102.00	102.10	101.80	106.50	101.50	102.50	101.70
Do.	5½	1934	5.04	102.20	101.90	102.05	101.60	105.85	101.15	102.60	101.60
Do.,	5½	1937	4.70	105.35	101.90	105.25	104.25	110.95	105.50	106.05	104.00
Do., Refund	4½	1940	4.65	97.60	96.60	97.00	96.65	102.70	98.20	99.75	96.35
Do., Refund	5	1943	4.80	102.00	101.50	102.00	101.85	106.10	101.30	102.85	101.65
Do., Refund	4½	1944	4.60	97.70	97.00	97.35	97.05	103.05	98.50	98.50	97.05
Do., Refund	4½	1946	4.60	98.05	97.35	97.30	97.25	103.20	98.40	98.70	97.25
Do., Renewal	5½	1932	5.10	101.45	101.05	100.95	100.70	104.45	100.80	101.75	100.15

Flood, Barnes Active Bond Prices

February 27th, 1929

	Price	Rate	Years to Maturity	Next Int. Date	%
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7's due '47	98½	7	18	June 16	7.15
Alberta Pacific Grain 1st S.F. 6's due '46	102½	6	17	June 1	5.78
Argentine Govt. 6's Series B due '58	100½	6	29	June 1	5.96
Asbestos Corp. 1st Ref. S.F. 6's due '41	99	6	12	July 1	6.11
Asbestos Corp. Gen. Mtge. S.F. 6's due '58	87	6	27	July 1	7.08
Bell Tel. of Canada 1st 5's Series B, due '57	103	5	28	June 1	4.80
Brazil, United States, Ext. S.F. 6½'s, due '57	95¾	6½	28	Apr. 1	6.84
Can. Cement Co. 1st Mtge. S.F. 5½'s due '47	102½	5½	18	May 1	5.28
Canada Power & Paper Coll. Trust 5½'s due '53	86½	5½	29	July 1	6.55
Canada Paper 1st S.F. 6's due '45	102	6	16	June 4	4.58
Can. Light & Power 1st S.F. 5's due '49	99½	5	20	July 1	5.37
Canada S.S. Lines 6's 1st and Gen. Series A due '41	102	6	12	Apr. 15	5.76
Canada S.S. Lines Consol. 5's due '43	103	5	14	Aug. 15	13.36
C.P. Rly. Coll. Trust 5's due '84	100¾	5	5	Apr. 15	4.82
C. P. Rly. Secured 4½% Notes due '44	97¾	4½	15	Apr. 15	4.72
Can. Goodrich Income 7's due '43	70	7	14	....	....
Chile Republ. Ext. S.F. 6's due '60	93¾	6	31	Apr. 1	6.46
Colombia Republ. Ext. S. F. 6's due '61	87½	6	31	Apr. 1	6.98
Dom. Iron & Steel Consol. S.F. 6's due '39 (£)	76	5	10	Mar. 1	....
Donnacona Paper Co. 1st S.F. 5½'s due '48	97	5½	19	Aug. 1	5.74
Donnacona Paper Co. 6's Debentures due '48	97¼	6	19	Feb. 1	6.25
Duke Price Power 1st S.F. 6's Series A, due '66	105¾	6	37	May 1	5.62
Fraser Companies 1st S.F. 6's due '50	102	6	21	July 1	5.83
Fraser Companies 6½'s Debentures due '42 (Cum. Stock Rights)	109	6½	13	Apr. 1	5.54
French Line Ext. S.F. 6½'s due '51	102	6½	22	Aug. 15	6.33
French Nat. Mail S.S. Line Ex. S.F. 6's due '52	100	6	23	May 1	6.00
General Steel Wares 1st S.F. 6's due '52	102	6	23	May 1	5.83
Gatineau Power 1st S.F. 5's due '56	98	5	27	June 1	5.13
Gatineau Power S.F. Debs. 6's due '41	101	6	13	June 15	5.88
Hydro Electric Bond & Share Corp. Coll. Trust S.F. 6's due '47	96½	5	18	May 1	5.30
Manitoba Power 1st S.F. 5½'s due '51	102½	5½	22	July 1	5.30
Massey-Harris Co. 1st Mtge. 6's due '47	98½	5	18	Apr. 15	5.12
Mtl. Coke & Mfg. 1st S.F. Series A 5½'s due '47	102	5½	18	June 1	5.33
Mtl. Light Heat & Power Cons. 1st Ref. & Coll. Trust 5's Series A, due '51	....	5	22	Apr. 1	4.89
Mtl. Tramways 1st Coll. Tr. 5's Series "A" due '41	100	5	12	July 1	4.97
Mtl. Tramways Gen. & Ref. 5's Series "A" due '55	98½	5	26	Apr. 1	5.10
Nova Scotia Steel & Coal 1st S.F. 5's due '59	76½	5	20	July 1	....
Northwestern Utilities 1st S.F. 7's due '38	104½	7	19	June 1	6.34
Fort Alfred Pulp & Paper 1st S.F. 5½'s due '57	98	5½	18	Mar. 1	5.68
Price Bros. 1st S.F. 6's, Series "A", due '43	105	6	14	Aug. 1	5.47
Quebec Power Co., 1st Mtge., Coll. S.F. 5's, due '68	99	5	39	June 1	5.06
Shawinigan Water & Power Co. 1st Mtge. Coll. S.F. 4½'s, due '68	95½	4½	39	June 1	4.75
Southern Can. Power 1st 5's Series A, due '55	101¼	5	26	Apr. 1	4.92
United Grain Growers 1st Mtge. 5's due '43	97	5	19	July 2	5.25
United Securities Coll. Trust S.F. 5½'s Series A, due '52	100½	5½	23	May 1	5.46
Wayagamack Pulp & Paper 1st S.F. 6s due '51	103	6	22	July 1	5.75
Winnipeg Electric Ref. 6's due '54	104½	6	25	Apr. 1	5.66

March Dividend Payments

Summary of Payments

Dividends	$14,735,211
Bond Interest	15,502,534
Total	$30,237,745

Dividend Payments

Company—	Rate	Date	Amount
Anticosti Corp., pref.	1¾q	1, $	52,500
Asch, pref.	1¾q	1	87,500
Assoc. Qual. Canners, c.	37½c	1	30,000
Barcelona Tr., com.	1½s	1	143,625
Do., pref	1½	1	251,934
Do., pref	1¾q	31	440,884
Brazilian Tr.	50cq		2,750,350
Bathurst Power "A"	25c	15	100,000
Belding-Cort., pref.	1¾	15	15,142
Can. Vinegars	40c	1	36,800
Can. Bk. of Commerce	3q	1	744,762
Can. Bakeries, 1st & 2nd pref.	$1.75q	15	34,475
Canada Paper, pref.	1¾q	1	21,875
Canada Bread, com.	$3s	1	75,000
Can. Hydro Elec. pf.	1½q	1	187,500
Canada Cement, pref.	1¾q	31	341,250
Canada Malting	37½cq	15	60,000
Capital Trust	2½s		31,880
Can. Paving, pref.	1¾q	1	35,000
Confederation Life	5q	1	5,000
Corr. Paper Box, pref.	1¾q	1	10,375
Crow's Nest Coal	1½q	1	31,063
Cooksville Co., pref.	1½	1	4,000
Dominion Life	2½q	31	8,000
Durant Motors	10cq	30	28,472
Dom. Bakeries, 1st pfd	1¾q	1	9,343
David & Frere, "A"	56cq	15	32,880
East Kootenay Pr., pfd.	1¾q	15	11,500
Eastern Them., com.	1s	1	56,000
Gt. West Saddlery, 1 pf.	1¾q	1	14,625
Do., 2nd pref.	1¾q	1	5,250
Ham. Dairies, pref.	1¾q	1	13,125
Ham. U. Thea., pfd.	1¾q	31	13,787
Hollinger Mines	1½	28	246,000
Imp. Tobacco, com.	1½q	28	682,564
Do., pref.	2½q	20	49,500
Int. Proprietaries "A"	65c	15	136,500
Imperial Oil	25c		3,274,133
Inter. Milling, 1st pfd.	1¾q	1	52,094
Laura Secord, com.	50cq	1	17,500
Lindsay, C. W., com.	2½s	1	5,000
Do., pref.	3½s	1	19,500
Lake Shore Mines	20q	15	400,000
L. of Woods Mill., com.	80cq	1	117,498
Do., pref.	1¾q	1	26,250
London Life Ins.	3q	31	75,000
Loblaw Grocet., com.	50cq	1	95,825
Do., pref.	1¾q	1	8,435
London Loan	1¾q	31	15,618
P. T. Legare, pref.	1¾q	1	10,500
Melchers Distilleries 'A'	50cq	15	50,000
Mitchell, Robt., pfd.	1¾q	1	8,750
McIntyre Mines	50c		195,000
Montreal Cottons, com.	1½q	15	45,000
Do., pref	1¾q	15	52,500
Montreal Loan	3+1q	15	24,000
Bk. of Montreal	3q	1	897,501
Muirheads, com.	20c	1	13,556
Do., pref.	25c		6,160
Bk. Nationale	2½q	1	137,500
N. S. Light & Pr., pfd.	1¾q	1	11,250
Ont. Silknit, pref.	1¾c	15	14,875
Ogilvie Mill., pfd.	$1.75q	1	35,000
Provincial Bank	2½q	1	90,000
Post Alf. Pulp, pfd.	1¾q	15	105,000
Photo Engravers	50cq	1	15,000
Port Hope San., com.	50c.q	1	18,170
Reliance Grain, pfd.	1¾q	15	32,500
E. L. Ruddy, pref.	1¾q	1	18,125
Royal Bank	3q	1	900,000
Royal Trust	4q	31	40,000
Standard Chemical, c.	$1.75	15	37,277
Simon & Son. pref.	$1.75q	1	17,500
Stanford's, com.	25c.q	15	5,000
Sher.-Williams, com.	1½q	31	60,000
Do., pref.	1¾q	31	60,112
Bk. of Toronto	3q	1	176,607
Upper Can. Invest., pfd.	1¾q	1	17,500
Viau Biscuit, 1st pfd.	1¾q	1	17,500
Volcanic Oil	40c.q	10	108,040
Walker-Good.	75c.q	15	495,000
Wayagamack	75c.q	1	99,912
West. Can. Flour, com.	35c.q	11	40,250
Do., pref.	1¾q	31	40,218
Windsor Hotel, pfd.	1¾q	1	36,562
			$14,735,211

q—Quarterly.
s—Half-yearly.
y—Yearly.

Bond Interest Due in March

Company—	Rate	Date	Due	Amount
Andian National	6	1	1940	$ 300,000
Algoma Cen. Ry.	6	1	1964	9,564
Ad. Beatty Hotel	7	1	1944	21,000
Amcraft Place	6½	1	1946	9,750
Adelaide-Sheppard	7	15	1948	28,000
Bay St. Bldg. (347)	7	1	1940	14,000
Bell Telephone	5	1	1955	750,000
Brand.-Henderson	6	15	1939	25,770
Border Cities Hotel	7½	1	Serial	29,625
Can. Bakeries	6½	1	1945	25,268
Can. Steel Fds.	6	1	1936	34,283
Can. Theatre	6½	1	1941	13,000
Can. Wm. Rogers	6	1	Serial	4,290
Crescent Rd. Apts.	7	1	1946	5,600
Canada Electric	6½	1	1951	14,625
Can. R. & H. Term.	6½	1	1951	13,750
Can. Pac. Rly.	4½	1	1946	450,000
Dom. Textile	6	1	1949	155,160
Electrical Develop.	5	1	1933	203,750
Gt. Lakes Paper	6	1	1950	300,000
Gt. West Saddlery	6	1	1948	25,500
Hermes Bldg.	6½	1	1942	19,500
Hillcrest Coll.	5	1	1940	8,125
Gt. Western Timber	6½	1	1938	9,750
Inter. Paper	6	1	1955	649,875
Inter. Power	6½	1	1957	97,500
King Ed. Hotel	6	1	1944	42,000
Lindsay, C. W.	6	1	1937	14,725
Lake Sup. Paper	6	1	1941	125,418
Montreal Pub. Ser.	5	1	1942	74,200
Mexico Tram.	5	1	1963	237,450
Ontario Bldg.	6½	1	1943	26,000
Prov. L. H. & P.	5	1	1946	22,225
Que. N. Eng. Hydro	5	1	1942	58,812
N. B. Power	5	1	1937	45,250
Nat'l. Milk Prod.	6½	15	1946	4,875
Rob. Jones & Whit.	6	1	1930	5,340
Silverwoods	7	1	1937	7,105
Stanley Realty	6	1	1945	14,000
St. Maur. Valley 'B'	5½	1	1957	55,000
Toronto Carpet	6	1	1944	27,210
Van. Pr. Con., deb.	4¼	31	Perp.	154,593
West. Koot. Pr.	6	1	1940	27,462
Corporation Bonds				$4,299,330
Municipal Bonds				x4,062,500
Provincial Bonds				x3,199,032
War Loan	5	1	1937	2,254,172
Victory Refunding	4½	1	1940	1,687,500
Total				$15,502,534

x—Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING FEBRUARY 26

	Par Value	Div. Rate	Yield Feb. 25	High for wk.	Low for wk.	Close Feb. 26	Close Feb. 19	Sales for wk.	Range 1929 High	Range 1929 Low
Banks—										
Commerce	$100	12+1	3.66	359	353	353	359	841	360	330
Dominion	100	12+1	4.81	272	270	270	270	110	280	265
Can. Nationale	100	10	5.55	180	180	180	182	58	189	180
Imperial	100	12+1	4.72	275	275	274	6	277	277	268
Montreal	100	12+2	3.75	375	360	372	365	500	425	360
Nova Scotia	100	16	3.98	403	398	402	401	142	406¼	396
Royal	100	12+2	3.73	375	370	374	368	515	410	363
Toronto	100	12+1	4.64	280	273	275	272	79	282	270
Paper—										
Abitibi	n.p.	—	...	53	47½	50	48½	7830	55	40
Do. pref.	100	7	6.08	...	...	...	...	...	115	102
Do. pref.	100	6	6.85	87½	85	87	85½	565	88	85
Belgo Can., pref.	100	7	6.66	105	103	105	103	10	107	101
Brompton	n.p.	$2	4.10	48¾	40	45⅝	40¾	8203	48¾	34
Can. Pr. & Paper	n.p.	—	...	34⅞	31	32	32	10737	34⅞	28
Donnacona	n.p.	—	...	25	21½	25	21½	370	27	21
Fraser, com.	n.p.	$1	1.19	85	77	80	78	5241	88½	72
Hinde & Dauch	n.p.	$1	4.16	24	23	23½	23½	350	25	23
Int. Paper & Pr., c.	n.p.	$2.40	7.50	...	...	...	...	...	34¼	29
Do. (B)	n.p.	—	...	...	...	...	...	...	21¾	16
Do. (C)	n.p.	—	...	...	...	...	...	...	16	11½
Pt. Alfred, com.	n.p.	—	...	75	64	71	66	1336	75	60
Do. pref.	100	7	7.07	99	99	99	98	55	106	97¾
Price Bros., com.	n.p.	2	2.50	80	74	79⅞	76½	400	84	71
Do. pref.	100	6½	6.20	104¾	102½	104½	104	325	105	101
Smith, Howard, c.	n.p.	—	...	28¾	28¾	28¾	27	120	30	25
Do. pref.	100	6	6.55	...	...	...	...	...	93	91
St. Maur. V., pref.	100	7	7.21	99	96½	97	95½	166	99	95
Wayagamack	n.p.	$3	3.19	94	80	90	85	6798	94	68
Steel and Steel Industries—										
B.E. Steel, com.	100	—	...	5	5	5	5¼	50	6½	3
Do. 1st pref.	100	—	...	...	...	...	...	...	42	29
Do. 2nd pref.	100	—	...	10½	9	9½	10	945	14	6
Can. Bronze, c.	n.p.	$2	2.41	83	81	81	82	520	94	68⅜
Do. pref.	100	7	6.36	110	110	110	111	25	111	110
Can. Car & Fdy., c.	100	—	...	165	151½	155	150½	2935	173	95½
Do. pref.	100	—	3.93	180	170	174	170	3029	190½	106½
Can. Fairbanks, pf.	100	6	6.12	98	98	98	98	20	98	98
Can. Forgings, c. A.	n.p.	37½c	...	27	26	26	26	315	28	20
Do. (B)	...	—	...	26	26	26	26	25	28	20
Can. Gen. El., com.	50	—	...	...	...	...	...	...	250	155
Do. pref.	50	7	5.83	60	58	59	59	237	62	57
Can. Iron, com.	100	—	...	28¼	28¼	28¼	29	114	29	28¼
Do. pref.	100	4	...	...	...	...	...	...	85	78¼
Can. Locomotive, c.	100	—	...	61	58	58	60	60	61	40
Do. pref.	100	7	8.23	88	83	88	88	212	92	83
Cockshutt	n.p.	$1.50	3.19	47¾	44½	45½	45½	8728	53	37
Dominion Bridge	n.p.	$2.80	2.64	105¾	100¾	104	100	9961	110½	91½
Dominion Coal	100	—	...	76	75	76	79	28	90	75
Dominion Iron, pref.	100	—	...	...	...	...	...	...	12½	11
Dom. St. Corp., pf.	100	—	...	45	45	45	46	70	48	39¼
East Steel Pr.	n.p.	—	...	44	44	44	46½	20	53	36
Do. pref.	100	7	7.00	100	100	100	100	60	100¼	99½
Gen. St. Wares, c.	n.p.	—	...	38½	36½	37	37	1645	42	35
Goltfredson, com.	n.p.	—	...	4	4	4	5	25	8	3
Ford Motor	100	15	...	682	661	665	633	460	818	625
Hamil. Bridge	n.p.	—	...	75	66	71	67	4395	79	37¾
Do. pref.	100	6½	6.98	95	93	93	93	310	95	89
Hayes Wheel, com.	n.p.	50c	...	54	51	52	53	1095	56	47¾
Do. pref.	100	7	6.73	104	104	104	104	25	105	101
Kelvinator, com.	n.p.	—	...	11½	10½	11½	11½	95	12	8
Do. pref.	100	7	8.43	...	...	...	...	...	85	80
Lake Sup. Corp.	100	—	...	38½	36¼	36¼	39	5815	40	16
Massey-Harris, com.	n.p.	—	...	90	83¼	85½	84	16168	99½	82
Do. pref.	100	7	6.36	111	109¾	110½	110	293	115	108¼
McKin. Ind., com.	n.p.	$2	3.27	64¾	60	60	61	1243	76½	59
Do. pref.	100	7	6.48	...	...	...	...	...	108	100
Nat. Steel Car, com.	n.p.	—	...	127	112½	121¼	113	6572	142½	88
Do. Rights	...	—	...	14.50	10.75	13.00	11.00	11083	14.50	10.75
N.S. Steel, pref.	100	—	...	...	...	...	...	...	x30	25
Ont. Steel, com.	n.p.	$1.60	5.33	...	...	...	...	...	31	30
Do. pref.	100	7	6.66	...	...	...	...	...	105	105
Page Hersey, com.	n.p.	$2	3.06	130½	129	129½	130	1410	135½	125
Do. pref.	100	7	2.70	259	259	259	262	10	262	259
Pressed Metals, com.	n.p.	$1	4.34	23	22½	23	23	155	25	19
Do. pref.	100	7	6.93	...	...	...	...	...	101	100
Russell Motor, com.	100	4+1	5.43	92	92	92	88	4	92	82
Do. pref.	100	6	6.25	112	112	112	111	5	112	100
Steel of Can., com.	n.p.	$2+18¾	3.82	57	53⅝	56½	57	633	65¾	51½
Do. pref.	100	$2+18¾		87	86½	86½	86	1129	87½	85
Standard Steel, c.	n.p.	—	...	47½	36½	46	36	1129	47½	35
Do. pref.	n.p.	—	...	40	39½	39½	40	35	40½	39½
Milling, Foodstuffs and Merchandising—										
Assoc. Qual. Can.	n.p.	$1.50	6.00	26	25	25	29½	80	32½	24½
Atlas Pa. Gr., com.	n.p.	—	...	60	58	58	58	1065	67½	55¾
Do. pref.	100	7	7.00	100	99	99	100	172	100½	99
Atlan. Sugar, com.	n.p.	—	...	14	14	14	14½	1010	17	13
Do. pref.	100	—	...	65	65	65	70	40	70½	65
B.C. Fish, pref.	100	—	...	86	84	86	87	545	87	83
B.C. Packers	n.p.	—	...	29½	25	28½	25	4982	32½	24½
Can. Bak., com.	n.p.	—	...	37	36½	36½	36	50	38½	35
Do. pref.	100	7	6.93	102	101	101	101	20	102	101
Can. Bread, com.	n.p.	$6	3.70	162	155	162	155	185	163	133
Do. pref. (A)	100	7	6.03	116	115	116	116	29	116	114
Do. pref. (B)	100	7	6.60	108⅞	106	106⅞	106	57	109	105
Can. Canners, com.	n.p.	—	...	25	24¼	25	24	630	25	21
Do. 1st pref.	100	6	6.66	91	90	90	90	113	92	89
Do. 2nd pref.	n.p.	60c	2.40	25½	24½	25¼	24⅜	1557	28	21
City Dairy, com.	n.p.	$2	2.70	74	70	72	70	268	84	70
Do. pref.	100	7	5.30	132	125	130	140	12	140	125
Cons. Bakeries	n.p.	—	...	36½	35	36	36	1258	43½	35
Cuban Can. Sug., c.	100	—	...	...	...	...	...	...	13	11¼
Do. pref.	100	—	...	...	...	...	...	...	x30	14
Dominion Stores	n.p.	$3	1.73	175	158	158	158	1505	175	155
Fanny Farmer	n.p.	$1	2.91	34	34	34	34	450	37	30
Do. pref.	n.p.	$2.40	7.27	33	32	33	31	133	33	29½
Ham. Dairies, com.	n.p.	—	...	41	41	41	41	60	46¼	40
Do. pref.	100	—	6.86	...	...	...	...	...	102	100
Hunts, Ltd., com.	n.p.	$1	2.38	42

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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NEWFOUNDLAND REGAINS LAND IN LABRADOR

Cancels All Private Timber Licenses in Vast Area

NO SALE IN SIGHT

By SIR PATRICK McGRATH
Special to The Financial Post

ST. JOHN'S, Nfld.—At various times latterly, press reports in Canada have foreshadowed the sale of Eastern Labrador, one rumor, indeed, based upon a misreading or garbling of a year-old utterance of a prominent Newfoundland public man, representing him as saying that this Colony would sell the territory to the United States, sovereignty included, as Russia sold Alaska more than sixty years ago. This particular tale evoked so much comment on both sides of the water that Sir Richard Squires, the Premier-elect, on assuming office last November, left himself obliged to contradict it, pointing out that the matter had never been considered by his party, that nobody was authorized to say what his party would do, and whatever disposition was of the territory it would certainly remain British.

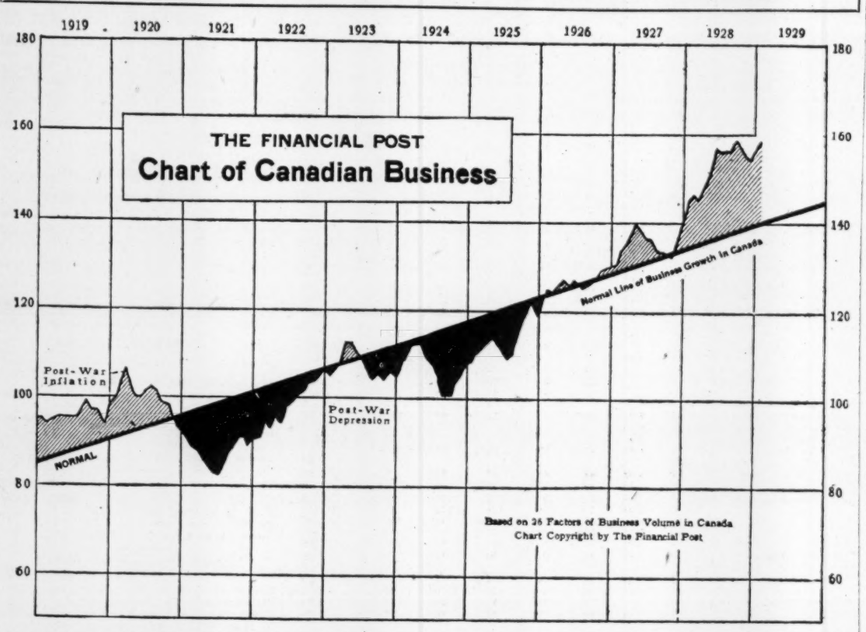
On this point of a sale to the United States it only remains to add (a) that there never has been any suggestion from any responsible authority in that country that it desired to purchase Labrador; (b) that the prices paid by the United States in the past, ranging from $7,200,000 for Alaska in 1867 to $25,000,000 for the Virgin Islands (Danish West Indies) in 1920, would not appeal to our people as anything like an adequate standard in measuring the value of this territory; (c) that only the Legislature, by statutory enactment, or possibly by a referendum, could dispose of it; and (d) that a country whose proudest boast is that it is the oldest British Colony is extremely unlikely to sell part of its possessions to a foreign power especially when a sister Colony, the Dominion of Canada, of which physically, Eastern Labrador is part, lies alongside her and is understood to be not unwilling to effect such a purchase herself.

To Cancel Timber Licenses

As a matter of fact, much of this publicity respecting Labrador results from the efforts of people, many of them Canadians, holding pulpwood areas in the territory, to dispose of them at a profit before the Newfoundland Government cancels the licenses they hold to work these areas for non-compliance with the conditions under which the licenses were granted. Indeed, the history of this territory in the past thirty years may be said to be one of a struggle by Canada to obtain the region from Newfoundland because of its forest, water-power and mineral resources, especially the first two. It is universally believed in Newfoundland, whether rightly or not, that Canada would never have advanced a claim to this territory at that time but for Quebec realizing that its vast forests would form an immense reserve to supplement her own, as the business of making paper from wood-pulp, then beginning to give evidence of becoming one of great magnitude, expanded through

(Continued on page 21)

Revised Index Shows Post-War Business Trend



The chart of general business has been redrawn for the purpose of showing the extent of the long-term growth in Canada during the post-war period. This post-war trend is shown as the straight line moving up. The index of general business is shown as a percentage of the monthly average during the period from 1919 to 1924. The last month plotted is January, the index standing at 157.5 or 57.5 per cent higher than the average during the base period. In the process of establishing the long term trend, the high levels of 1928 were included in the calculations. The annual growth in Canadian business determined in this way is 5.6 per cent per year. In January the index was about 12.5 per cent above the normal, or line of long term trend.

Business Starts 1929 With Advancing Trend

Eighteen of Twenty-Six Items in Post Index Show Improvement for January

By SYDNEY B. SMITH

The volume of business in Canada reversed the trend of the later months of 1928, and made a notable advance in the first month of the present year, according to The Financial Post's Index of Canadian Business. Assembling the pertinent information relating to January and giving the developments in each of the important industries a weight according to its relative importance, the conclusion is clear that already an excellent beginning has been made. In view of the high levels of general business attained in 1928, the observer is much interested to find whether the present year will maintain the rate of growth established in preceding years. It is now possible to asert that the index of general business showed an increase in January of more than two points over December.

The index for computing the three months moving average for smoothing purposes was higher than in any preceding month during the ten-year period of observation. Even after smoothing, the index was only exceeded in one other month, that is, in October when the index in its adjusted form was about one point higher than in January.

The index of the volume of general business constructed from 26 prominent factors, sensitive to current changes in business operations, was 157.5 in January compared with 155.4 in December. The monthly average of each of the component factors from 1919 to 1924 is regarded as the base equalling 100, and the current figures are expressed as a percentage of the average.

Some Lines in Decline

So much for the general situation which, though highly satisfactory as a starting point, raises the question as to whether the advance was general in all lines or restricted to a few of the larger industries. Conditions would be brisk indeed if out of the 26 factors, no declines would be shown in any given month compared with the preceding. As a matter of fact 18 items out of the 26 showed advances in January over the last month of 1928. The sugar and flour industries were less active in the last month for which statistics are available, and indications were that the production of silver and asbestos was less than in December. The gain in newsprint was less than the seasonal increase and the imports of crude petroleum showed a falling off. Minor declines were shown in building permits and trade employment after seasonal adjustment.

This ends the list of declines, and the gains in the remaining items, some of them of a pronounced character, accounted for the current increase in the general index referred to above. It is significant that important gains were shown in the industries which are interdependent on national prosperity. A notable example was the expansion in the construction industry, in which the value of contracts awarded reached a new record for the month. January is usually a quiet month in regard to the placing of new business in the industry but the placing of the contract for the first unit of the power development at Seven Sisters Falls at $15,000,000, a hotel in Vancouver at $5,000,000 and a bank building in Toronto also at $5,000,000, resulted in breaking all previous records for the month and establishing a very favorable comparison with the preceding month.

Demand For Steel Products

The output of steel was at a high level comparable with the performance of the most active months of 1928. The significance of the high percentage of operation in the primary iron and steel industry transcends the beneficial effect in the industry itself. There is no industry, perhaps, which is more intimately related to general conditions throughout the Dominion. Strong demand for iron and steel products indicates expansion in plant and equipment in many industries. Conditions in the iron and steel industry furnish an excellent barometer which was traditionally regarded as of considerable merit, and the passing of time and expansion in the collection of barometric statistics has not shaken the well-deserved confidence placed in these statistics as an indication of prosperity or depression.

After a quiet period in the latter part of 1928, operations in the automobile industry were resumed in January with considerable vigor. The increase over December after seasonal adjustment was 127 p.c. Production in the month under consideration was 17,164 cars and 4,337 trucks indicating that the industry is starting the year with a rush. Whether the usual seasonal increases which according to the experience of the last ten years culminate in April will be attained depends on sales prospects, which may only be determined as the season advances.

Nickel Exports Up

Other marked advances included nickel, the exports being up 45 p.c. The receipts of gold at the Royal Mint indicate speeding up in the output of the metal. Indications point to an increase in the production of zinc. The recovery of coal from Canadian mines showed a moderate increase in January.

The meat packing industry, one of the largest in Canada, was more active judged by the figures of inspected slaughterings of cattle and hogs. The importation of cotton was well maintained at the satisfactory level of the preceding month.

The exports of boards and planks at 111,240 thousand board feet at $3,102,000 was one of the interesting developments of the month as a substantial increase was shown over the preceding month in an industry which has not been specially active for some time.

From the standpoint of long term developments which after all are of greater importance than month to month comparisons, expansion in construction, iron and steel, copper and nickel, in newsprint and in automobile production and allied industries such as oil and rubber, accounts in large measure for the high level reached in Canadian business compared with a few years ago. The growth in these industries is of such a persistent character that intermediate fluctuations are of comparatively less importance.

N. BAWLF GRAIN EARNINGS IN LINE WITH LAST YEAR

Despite Record Crop, Materially Higher Profits Not Expected

From Our Own Correspondent

MONTREAL.—Earnings of the N. Bawlf Grain Company are reported as satisfactory, and it is thought that earnings for the year ending July 31, 1929, will approximate those of the previous year, when $3 a share was earned on the 60,000 shares of no par value outstanding.

The company with a subsidiary, operates 141 country grain elevators and 57 annexes, having a combined storage capacity 5,450,000 bushels, located at railway points throughout the three prairie provinces. Through entire ownership of the Bawlf Terminal Elevator Company the parent company controls a 2,500,000 bushel terminal at Port Arthur. A proportion of the company's grain from country points is shipped through the port of Vancouver under a satisfactory arrangement with the Vancouver Terminal Elevator Company and the Pacific Terminal Elevator Company, which control an elevator capacity of 4,000,000 bushels in that port.

Stock Is Listed

Common shares of the Bawlf Grain Co., to number of 20,000, and 20,000 preferred shares have been listed on the Montreal Stock Exchange. Upon termination of the voting trust agreement after May 21, 1933, an additional 31,000 common shares will be listed. The company has no funded debt except $555,000 bonds of the Terminal subsidiary.

The outlook for the company depends largely on the western grain crop. Though the size of the crop harvested plays an important part in the earnings of all grain handling companies, many other fatcors have to be considered other than the actual volume of grain handled.

Despite the fact that the recent crop was the largest in Canada's history, the grain companies are not looking forward to record earnings. It is thought that losses in country elevator grading, on account of frost-damaged grain, may be fairly substantial.

Companies with elevators well distributed over the west obviously are not so greatly affected when a crop failure occurs in one area. Bawlf Grain is fortunate in this respect, and its widely scattered elevators give it a substantial coverage in the prairie provinces.

The common shares have been traded around 30 and the preferred at 94. Grain companies in which there is now an investment interest are United Grain Growers, Alberta Pacific Grain, Reliance Grain, Western Grain.

Start Prescott Terminals

The first step in the development of Prescott as a leading Great Lakes terminal was marked on February 20, when the first foundation pile for the mammoth grain elevator was driven in the presence of the municipal fathers and other prominent persons. With Mayor Taughar, members of the town council, Board of Trade, Women's Institute and others looking on, the pile was placed and the flag run up to its top. The elevator will have a capacity of 5,000,000 bushels.

Two New Vice-Presidents for Trust Company

JOHN J. GIBSON,
general manager of Chartered Trust & Executor Company, elected a vice-president.

J. Y. MURDOCH,
president of Noranda Mines and prominent Toronto lawyer, elected vice-president of same company.

C. P. R. Going Ahead With Hotel in London

From Our Own Correspondent

MONTREAL.—The Canadian Pacific Railway will purchase a site in London for the construction of a large and modern hotel along the lines announced a short time ago by President W. Beatty. A representative of the company is now in England attending to the preliminary arrangements.

The construction of this hotel will see the first departure from the Canadian Pacific's policy of constructing hotels only in Canada. In the last two years the C. P. R. has extended its hotel system and also made extensive improvements and alterations to existing properties. These include the Royal York, at Toronto; Château Frontenac, Quebec; the Royal Alexandra, at Winnipeg; Hotel Palliser, at Calgary; Hotel Saskatchewan, Moose Jaw; the Empress Hotel at Victoria; and the Hotel Vancouver at Vancouver.

As a result of the improvements made or in process of being made the company has one of the finest privately owned hotel systems in the world.

Gurds January Sales Show 12 Per Cent. Gain

From Our Own Correspondent

MONTREAL.—Sales of the Charles Gurd Company continue to show an increase. Sales in January were twelve per cent higher than those of the same period a year ago. Total sales in 1928 were 16 per cent greater than those of 1927. It is thought that the management is considering some changes in operations. In the annual report the management made the significant statement that "it had under serious consideration operation re-arrangements and renovations along with alternative reconstruction."

The expansion of the company has been rapid since it entered the field of public investment, and it is not unlikely that some plans are under way to take care of the increasing growth of the company's business. In addition to extensive sales in Quebec and Ontario, Gurd's exports its products to India, Africa and the West Indies.

Operations of the subsidiary, Gurd's, Maritime, are well under way, and profits from this source should be reflected in earnings during the current year. This subsidiary was formed to acquire the Blue Ribbon Beverage Co. of Saint John, N. B. It is in a favorable position to take care of the company's West Indian and other export business.

Steel of Canada Report Not Yet Before Board

From Our Own Correspondent

MONTREAL.—The Financial Post's article of last week estimating that the Steel Company of Canada will show earnings for 1928 of about $3.75 a share on its 460,000 shares of common and 257,862 shares of preferred has caused extensive comment in investment circles. As the preferred stock is now participating equally with the common, there are outstanding 717,852 shares to which earnings are applicable.

Complete figures will not be laid before the board for some weeks and the Post's figures are, of course, not official in any sense.

Although complete figures for the 1928 year have not yet been fully compiled, the $3.75 estimate can be regarded as a fair estimate, for the figure came from a variety of independent sources in which the activities of the company are closely followed and completely understood.

NATIONAL SYSTEM EARNINGS BETTER FOR PAST SEASON

Railways' Net Profits Just Short of $60,000,000 Mark

EXPENSE RATIO DOWN

From Our Own Correspondent

MONTREAL.—An excellent showing was made by the Canadian National Railways for 1928 judging by an official statement of earnings issued by the company's head office.

Exclusive of the lines east of Levis and Diamond Junction and those comprised in the Central Vermont, the Canadian National Railways had gross earnings last year of $276,631,921. This total compares with gross earnings in 1927 of $248,716,374, an increase of $27,915,546, or 11.22 per cent over the previous year.

Grain Loadings Heavier

This favorable showing is due in part to the early and heavy movement of grain on western lines last fall. It will be recalled that during the harvest season of 1927, the grain movement was considerably delayed by bad weather and that the volume moved to the head of the lakes during the season of navigation and to the Atlantic seaboard after the close of navigation, was proportionately less than in other years.

In addition to the heavier grain movement last year, the loadings of merchandise and other major types of freight showed a substantial increase in the aggregate. Passenger travel and other sources of revenue were somewhat better than in 1927. It is not surprising, therefore, that gross earnings of the company should show such a substantial increase.

While the movement of freight, passengers, etc., was heavier, there was naturally an increase in working expenses, though the percentage increase in this connection was less than that of gross earnings. During the twelve months of 1928, the National system extended $218,248,343, as compared with a total of $203,315,684 in the preceding year, an increase of only $14,932,659 or 7.34 per cent.

Higher Net Earnings

As a result, the net earnings of the National system for the year 1928 reached a total of $58,383,577, as against net earnings in 1927 of $45,400,690, an increase for the year of $12,982,887, equivalent to 28.6 per cent.

A better idea of he improved showing of the system may be gathered from the fact that the operating ratio during 1928 was reduced to 78.89 per cent, in comparison with 81.75 per cent for 1927. In other words, for every dollar earned, it cost the Canadian National Railways 2.86 cents less during 1928 than in 1927.

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PRODUCTION stops when one vital machine breaks down—and stays stopped until you can get a new part—or

Weld it!

You can't carry duplicates of all your machinery to protect production, but you can have the Westinghouse portable arc welder on the job, ready to mend broken parts in a jiffy—to mend them quickly, cheaply and well.

There are dozens of jobs about the shop that can be better done by arc welding. The simple, sturdy Westinghouse portable welder is a profitable investment, today and every day, as a productive machine. But some day you'll need it, in its role of "Emergency Man on Four Wheels".

An interesting booklet about arc welding and valuable suggestions on its application to your shop will be sent to you upon request.

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The Wawanesa Mutual Insurance Co.

Canada's Largest Fire Mutual

FINANCIAL STATEMENT for year ending 31st December, 1928

ASSETS

Cash, Bonds, etc.	$1,118,732.31
Assessments Unpaid	55,858.74
Premium Notes Unassessed	1,503,201.40
	$2,677,792.45

LIABILITIES

Reserve for Unearned Premiums	$ 146,972.46
Losses Unadjusted	19,782.18
Accounts Payable	76.59
SURPLUS for Policy Holders' Protection	2,510,961.22
	$2,677,792.45

C. D. CORBOULD, C.A.

Cash surplus over Liabilities $1,007,760.82.

Total Assets for Policy Holders' Protection $2,677,792.45—an increase for 1928 of over $191,000.00.

New Business written in 1928—$61,948,173.00.

Total Insurance in force $152,282,509.00—an increase for 1928 of $17,746,246.00.

During the past seven years this Company has increased its volume 54% and its cash surplus over 220%, an increase in the security behind the policy of over 30% per year.

The Wawanesa Mutual Insurance Company has more fire insurance in force in Western Canada than any other Company operating in the same territory.

Head Office: WAWANESA, MANITOBA

Investors everywhere have asked these questions

Can YOU *answer them?*

SUPPOSE you have money to invest. You know that good bonds are a desirable form of investment. But there are many practical questions concerning them which, sooner or later in your experience, will demand an answer.

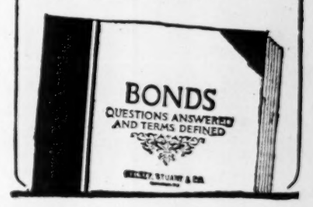
The most common of such questions—and perhaps the most important—have been collected by us through years of contact with a good many thousands of investors, and published in booklet form, together with their answers. These are stated in a simple and non-technical manner.

In the latter part of the booklet you will find an explanation of financial terms commonly used in the description of bonds.

This booklet, while written for the guidance of inexperienced investors, contains bona information of practical value to the experienced investor as well.

- How are bond yields figured?
- Is it advisable to register bonds?
- Is there any advantage in buying bonds which are listed on the Exchange?
- How and to what extent can a bondholder borrow money, using his bonds as security?
- How is bond interest collected?
- If all your bonds are safe, why do some yield 4% and others 7%?
- What advantage have bonds as compared to—
  1. Stocks?
  2. Mortgages?
- What bonds are best suited to the investment of—
  1. Trust Funds?
  2. Business Reserves?
  3. Individual Funds?
- From whom shall I buy my bonds?

These and many other important questions relating to bond investments are discussed in this booklet.



We shall be glad to supply you with a copy of this booklet on request — *Ask for Booklet* F.P.-39

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For investors who live at too great a distance from our offices to be called upon by our representatives, we maintain a competent staff, trained to give as efficient and satisfactory service by mail as could be rendered through personal contact. Write to our nearest branch office if you are interested in knowing the full details of this service.

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FOUNDRIES YEAR BEST IN DECADE REPORT REVEALS

Reorganization and Better Business Benefits Company

From Our Own Correspondent

MONTREAL.—In its seventeenth annual report, covering the year 1928, Canada Foundries and Forgings presents to its shareholders, the best financial statement since 1919. Operating profits totalled $161,888, as against $125,818 in the preceding year.

After deducting bond interest, other interest charges and administration expenses, net income amounted to $111,220, equivalent to $2.33 a share on the combined class A and B shares now outstanding. The 1927 earnings were equivalent to $1.53 on the same basis.

After commenting upon the marked improvement in net earnings and the excellent prospects for the current year, the directors' report went on to describe the changes which have taken place in the capital structure, whereby $960,000 of preferred stock was exchanged for 38,400 shares of class A stock and the $960,000 common was exchanged for 9,600 shares of class B.

Reorganization Helpful

The reorganization thus carried out called for certain changes in the company's balance sheet, and the directors believed that advantage should be taken of the opportunity to strengthen the company's position by increasing the reserves for depreciation and contingencies and writing off a substantial amount from the goodwill account.

These changes are reflected in the balance shee, which shows goodwill at $250,000 as against $1,000,000 in 1927, and depreciation reserve at $530,636 as against $377,003. The balance sheet, which shows goodwill company finished the year without bank loans or overdrafts, the first time since 1919. Notwithstanding the liquidation of the bank indebtedness, which last year amounted to over $134,000, and the payment during the year of $57,600 of dividends, the working capital position was well maintained at over $700,000 with the ratio of current assets to current liabilities better than five to one.

Following are the profit and loss account figures and working capital, with comparisons:

	1928	1927	1926
	$	$	$
Profits	161,888	125,818	140,589
Deduct:			
Bond int.	13,434	13,434	13,434
Other int.	9,885	11,794	12,478
Admin. exp.	27,349	27,048	25,310
Net inc.	11,220	73,542	89,367
Prev. surp.	*763,428	1,077,886	988,515
Total	874,648	1,151,428	1,077,886
Dividend	57,600	48,000	.....
Balance	817,048	1,103,428	1,077,886
Adjust.†	414,000	.....	.....
P. & L. bal.	403,048	1,103,428	1,077,888

*After allowance for further depreciation by Income Tax Department, etc.

†Adjustments of preferred stock and writing down "goodwill."

Working Capital Position

	1928	1927	1926
	$	$	$
Curr. assets	868,491	953,980	964,256
Curr. liabs.	156,027	209,990	252,819
Net w. cap.	712,444	743,990	711,437

Manitoba Loan Company Betters Its Position

During the year ended December 31, 1928, La Compagnie Foncière de Manitoba, Ltd., made satisfactory if moderate progress. The gross revenue amounted to $43,856.85, an increase for the period of $4,265.95. Net profits, after meeting expenses and taxes, were $24,989, a gain of $5,972. The balance for the year was slightly less than in 1927, being $4,979, a decrease of $262.

In view of some of the deals made in 1928, the management express the opinion that an increase in revenue may be expected during the current year. Advantageous exchanges of property were made which improved the general quality of the holdings. Nearly one-half of these are centrally situated revenue-bearing City of Winnipeg properties, while farm lands represent an investment of about $100,000.

The farm lands in question are situated for the most part in the Red River valley district of Manitoba. Only a few parcels were sold and prices were somewhat lower. This was due to the fact that the Red River district suffered from too much water in July, the final result not being as good as had been expected earlier in the season. As, generally speaking, the farms are much freer from debts than they have been for years, and as the prices for livestock have been fairly good for some time now, it is confidently expected that prices for land are once more on the upgrade.

Earnings Record

Year	Paid-up Capital	*Profits	Earned %	Div. Rate
1924	$400,050	$ 9,083	2.2	2
1925	400,051	8,297	2.0	2
1926	544,425	13,301	2.4	3
1927	548,700	17,495	3.1	3
1928	600,000	23,009	4.1	4

*Less directors' remuneration.

COSMOS IMPERIAL EARNINGS DISPLAY $65,000 INCREASE

Company Starts Current Year With Still Better Outlook

The Cosmos Imperial Mills in its second full year of operations, which was brought to a close with December 31, 1928, net profits of $233,319 were shown, compared with $167,790 in the previous year, an increase of $65,529 over the previous year. The surplus of $120,734 was equivalent to $2.41 per share on the 50,000 shares of common stock outstanding.

Current assets reached a total of $1,317,924, the principal items in which were $642,501 inventories of raw materials and supplies, together with process and finished stock at cost, $305,470 in accounts receivable, $185,427 in cash and secured call loans and $168,270 investments, mainly in Dominion Government bonds. Real estate, buildings, plant and equipment are valued at $2,487,276. Assets reach a total of $3,817,069. Current liabilities reach a total of $54,150. The sum of $162,325 was reserved for depreciation of plant and equipment and $10,000 for contingencies, a total of $172,325.

During the year additions to machinery and equipment were made to the extent of $88,454 and there was written off a considerable amount for obsolescence.

In association with the Western Nova Scotia Electric Company, the company in September last concluded a contract with the Nova Scotia Power Commission whereby the latter undertakes to supply the Cosmos division of the company with power from an hydro-electric division on the Tusket river near Yarmouth. The contract provides for energy to be available September 15th next.

The company early in the year acquired control of the J. Spencer Turner Co., of Canada, who will now effect all sales in Canada; Messrs. Lawrence and Company of New York will continue as sales agents for export.

S. Harold Greene, the president, points out that, as the year advanced, the effect of southern mill competition was lessened, as the situation with respect to their production of heavy goods became more stable. The factor more directly responsible for an improvement in the company's operations, however, was the general betterment in industrial conditions in Canada. Business on hand at the outset of the present year compared favourably with the similar period a year ago. The company expects to participate in the prosperity which a continuance of the present industrial conditions should ensure.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1928	1927	†1926
Profits	$233,319	$167,791	$113,968
Other income	11,657	12,795	4,908
Total	244,976	180,586	118,876
Less: Taxes	20,159	15,180	6,270
Net profits	224,817	165,406	112,606
Less: Pref. divid.	104,083	104,559	39,375
Surplus for year	120,734	60,847	73,231
Add: Prev. surp.	60,847	73,231	.....
Carried forward	$180,581	$134,078	$73,231

†For six months.

Hudson's Bay Company Land Sales Improved

Although the returns of land sales made by the Hudson's Bay Company for the past quarter are not up to the high level of the corresponding period, the results, taking the financial year as a whole, are highly encouraging. Sales of farm lands for the quarter ended January 31 amounted to 86,063 acres for £198,000, which compares with 99,646 acres for £258,000 in the January quarter of 1928. Town lots were sold for £6,595, as compared with £2,315, and the total gross receipts for the quarter were £244,100, as against £306,910.

For the whole year sales of farm lands amounted to 318,361 acres for £765,600, as compared with 263,648 acres for £663,680, and sales of town lots realized £12,965, against £11,740. The total gross receipts on land account for the 12 months were £631,700, as compared with £596,590.

A better idea of the development that has been taking place within the last few years in the company's land department may be gathered from the following table showing the total receipts and sales for the past eight years:

	Receipts £	Sales £
1921-22	512,050	145,700
1922-23	429,190	91,248
1923-24	*360,500	*84,131
1924-25	412,976	210,101
1925-26	505,363	429,285
1926-27	544,439	676,595
1927-28	596,590	675,420
1928-29	631,700	778,565

*Ten months.

The latest returns are easily the best since the world depression that followed the Armistice, and, moreover, progress has been consistent throughout the past five years.

Upper Canada Investment Declares First Dividend

The Upper Canada Investment Trust, which was formed recently to acquire a selected list of diversified securities, reports earnings for its first quarter of more than three times dividend requirements. Barnett E. Laxer, the president, in a letter to the shareholders, points out that a substantial proportion of these earnings will be credited to the common shares, after payment of the first regular quarterly dividend of 7 per cent on the preferred, which became payable to shareholders of record as at February 15.

Welland Canal Progresses

Latest detailed reports of progress on the new Welland Ship Canal received by Lieut.-Col. A. E. Dubec, chief engineer of the Department of Railways and Canals, all point to the completion of the canal in time for the opening of navigation in the spring of 1930. In the main estimates for the year ending March 31, 1930, tabled in The House, by the Hon. James A. Robb, Minister of Finance, there is a request for $10,000,000 in connection with the work on the canal and a further request for about $5,000,000 is considered likely. In this event, the total cost will run to $115,000,000.

STANDARD PAVING, MAKES FINAL REPORT

Net Profit for 1928 Much in Excess of Previous Year

Standard Paving, Ltd., which recently became part of a merger to be known as Standard Paving and Materials, Ltd., has just issued its final financial statement in the old form for the year ending January 31, 1929. Net profits from operations, providing for reserves, amounted to $247,285, which was more than $40,000 in excess of the previous year. To the figure mentioned for the year there was added $26,203, for interest on investments and drawbacks and $12,500 dividend from subsidiary. Reserves of $20,000 for income taxes and $8,332 for depreciation were deducted, resulting in net profits from all sources of $242,338.

General plant repairs charged against operations for the period under review amounted to $33,061. As the existing depreciation reserves applicable to plant and machinery, aggregating 51 per cent of the cost of the assets in question as shown on the books were considered sufficient, no charge was made in this connection on the account for the year.

After charging dividends and bonuses paid or payable of $104,794, the balance at credit of general profit and loss appropriation account at the end of the year, and carried forward, amounted to $701,535.

A comparison of the profit and loss account for the past three years is as follows:

PROFIT AND LOSS ACCOUNT
Year Ending Jan. 31, 1929

Net profits from oper.	$247,285
Other income	23,385
Total	$270,670
Less: Income tax	20,000
Depreciation	8,332
Net profits	$242,338
Less: Dividends	104,794
Surplus for year	$137,544
Prev. surplus	563,991
Total surplus	$701,535

COAST STEEL PLANT REPORT INDEFINITE

Would Help B.C. Power if Project is Put Under Way

From Our Own Correspondent

MONTREAL.—A press despatch from Vancouver states that commencement is expected shortly of the first unit of a plant to house British Columbia's first steel industry, to be erected at a cost of approximately $443,000, on Boundary Road, near Horney-Payne substation of the British Electric Railway Company. It is further stated that Eastern financial interests, whose headquarters are said to be in Montreal, are accredited with sponsoring the enterprise.

The plant will manufacture steel and iron products and steel specialties. The British Columbia Government has offered to give a subsidy on each ton of steel manufactured of scrap iron or ore mined in the province, and this is stated to be one of the factors which induced the Eastern interest to support the project.

As far as can be learned here this undertaking can be placed in the same class as many which have been reported on the Pacific Coast during the past few years, but which have come to nothing. The establishment of this industry would undoubtedly be of considerable importance to the B. C. Power Corporation but that corporation apparently has no definite information on the enterprise as enquiries by The Financial Post failed to elicit any information.

At the time of the public financing of the B. C. Power Corporation it was stated by the bankers that vigorous efforts would be made by the corporation to establish large industries within the territory served by B. C. Power, but it is doubtful if the company would be interested in a steel manufacturing proposition, as there is a very limited market on the Pacific Coast, and the prairie provinces for that matter.

Participating Securities Corp. Open Office in Montreal

From Our Own Correspondent

MONTREAL.—A new addition to the Montreal financial field is the Participating Securities Corporation, Limited, headed by Herbert Crowe, formerly of Winnipeg. Mr. Crowe has had many years of experience in banking and financial business and was instrumental in organizing the Beaver Lumber Company of Winnipeg.

The Participating Securities Corporation is Canadian correspondent for the house of Clarence Hodgson and Company, Incorporated, New York.

Eastern Trust Company Has Increased Assets

From Our Own Correspondent

MONTREAL. — The Eastern Trust Company at its 36th annual meeting in Halifax this week, presented a satisfactory annual report of the year's business to the shareholders. The assets under administration increased by some $7,000,000 during the year. Hon. W. A. Black, P.C., M.P., the president, reported the company's ratio of profits to be satisfactory and the general organization of the company such as to afford an efficient service to its customers.

Make sure your estate is well protected

When you name The Canada Trust Company executor of your Will, you appoint a corps of experts in financial work, whose sole aim is to administer an estate to the greatest advantage of the beneficiaries.

You are assured that this company is sound because its books, accounts and securities are inspected by the Government.

The Canada Trust Company has had a long and honorable career. It is in a sound financial condition which improves from year to year. Its officers have acquired experience which is at your command at no extra cost to your estate.

The administration fee, which is fixed by the Court, is the same for The Canada Trust Company as for an individual.

An informal talk with one of our trusts officers may result in saving hundreds of dollars for your beneficiaries.

THE CANADA TRUST COMPANY

Branches in five Provinces
London, Toronto, Hamilton, Windsor, St. Thomas, Chatham, Winnipeg, Edmonton, Regina, Victoria.

HUME CRONYN, *President.* M. AYLSWORTH, *General Manager.*

Investment Suggestions for

The Month of March

Dominion of Canada, All Maturities, Tax Free, Taxable & Guaranteed Issues.

City of Westmount, Province of Quebec 4% Bonds, due 1951, at 91.64 yield 4.59.

Gatineau Power Co., First Mortgage 5% Bonds, due 1956, at 97.75, yield 5.14.

Canadian Vickers, Limited, 1st. Mort. 6% Bonds, due 1947, at 103.00, yield 5.72.

Nova Scotia Public Cold Storage Terminals, Limited, First Mortgage 6% Bonds, due 1958, at 100, yield 6.00. (With a bonus of common stock).

Selected offering list forwarded on request.

DRURY & CO
MONTREAL

360 St. James Street *Harbour 1254*

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Government, Municipal and Corporation
BONDS
D. J. McDOUGALD & CO.
Trusts and Guarantee Bldg.
302 BAY STREET ELGIN 2278
TORONTO
The Partners Personally Advise as to Investments

ADDITIONAL ISSUE

$3,000,000

Simpsons, Limited

6% Cumulative Preference Shares

(Par Value $100)

Preferred as to capital and dividends. Cumulative dividends at the rate of 6% per annum will accrue from January 1st, 1929, and will be payable half-yearly (January 1st and July 1st) by warrant or cheque on the Company's bankers at par at any branch thereof in Canada (Yukon Territory excepted). Redeemable as a whole or in part, at the option of the Company, on sixty days' notice, at 105 plus accrued and unpaid dividends to the date fixed for redemption. Transfer Agent—National Trust Company, Limited. Registrar—The Canadian Bank of Commerce.

The Company

Simpsons, Limited (Dominion Charter) owns all of the outstanding common shares of The Robert Simpson Company, Limited, of Toronto. The Robert Simpson Company, Limited, through ownership of all of the issued shares of subsidiaries, controls operations of two of the oldest established departmental stores in Canada, as well as a mail order business extending over the whole Dominion. The Robert Simpson Company, Limited, has paid dividends on its common shares continuously during the last thirty years.

The following information regarding earnings and assets of Simpsons, Limited, and constituent companies has been certified by Messrs. Price, Waterhouse & Co., Chartered Accountants:

Earnings

The combined annual net earnings of The Robert Simpson Company, Limited, and its subsidiaries for each one of the three fiscal years in the period ended with February 4th, 1925, and of Simpsons, Limited, (incorporated in March, 1925) and constituent companies for each one of the four fiscal years in the period ended with January 30th, 1929, after deducting all charges and expenses including adequate depreciation, and after providing for interest and dividends on bonds and preference shares of The Robert Simpson Company, Limited, and its subsidiary companies, were as follows:—

Fiscal Year Ended	Combined Earnings on above Basis	Annual Interest Requirements on Bonds of Simpsons, Limited now outstanding	Balance of Earnings which would have been available to meet dividend requirements on Preference Shares of Simpsons, Limited
Jan. 31st, 1923	$ 953,471.38	$336,752.00	$ 616,719.38
Jan. 30th, 1924	1,253,926.86	336,752.00	917,174.86
Feb. 4th, 1925	1,293,868.56	336,752.00	957,116.56
Feb. 3rd, 1926	1,243,143.98	336,752.00	906,391.98
Feb. 2nd, 1927	1,778,738.41	336,752.00	1,441,986.41
Feb. 1st, 1928	1,978,300.51	336,752.00	1,641,548.51
Jan. 30th, 1929	1,982,565.14	336,752.00	1,645,813.14
Dividend requirements on 6% Preference Shares of Simpsons, Limited, (including this issue)			$420,000.00

The above earnings for seven years are determined after providing the sum of $3,603,712 for depreciation of buildings and equipment.

Assets

According to the Consolidated Balance Sheet, as at January 30th, 1929, revised to give effect to this issue of Preference Shares, the combined net tangible assets of Simpsons, Limited, and constituent companies, after deducting all current liabilities and bonds and shares ranking senior to the Preference Shares, have a depreciated book value of $16,160,550.47.

According to the said Consolidated Balance Sheet, net current assets, after deducting all current liabilities, totalled $8,932,546.83. Investments and the cash proceeds of this financing amounted to an additional $5,685,844.50.

Purpose of Issue

The proceeds of this issue will be used for expenditures in connection with the expansion program of The John Murphy Company, Limited, of Montreal, and for other corporate purposes.

Capitalization

(Upon completion of present financing and including bonds and shares of constituent companies in the hands of the public.)

	Authorized	Outstanding
Constituent Companies—		
Mortgages	Closed	$ 235,854.37
First Mortgage Bonds	Closed	1,795,495.99
Preference Shares	$8,500,000.00	3,350,000.00
Simpsons, Limited—		
6½% Sinking Fund Collateral Trust Gold Bonds	$15,000,000.00	$5,180,800.00
6% Cumulative Preference Shares	10,000,000.00	7,000,000.00*
Common Shares (No Par Value)	100,000 Shares	100,000 Shares

*Including this Issue.

Preference Share Provisions

Under the Company's Charter, the Preference Shares are preferred as to capital and entitled to cumulative preferred dividends at the rate of 6% per annum, payable half-yearly, but are not entitled to further participate in the profits or assets of the Company, except premium on redemption when payable.

In the event of an aggregate of four half-yearly dividends being in arrear and unpaid, each holder of Preference Shares shall be entitled at all general meetings of the Company to one vote for each $100 par value of Preference Shares held by him and such right shall continue so long as any one half-yearly dividend remains in arrear, but holders of Preference Shares shall not otherwise be entitled to voting rights excepting with regard to certain provisions for the creating or issuing of additional preference shares or securities as provided in the Company's Charter. The Company may purchase the whole or any part of the Preference Shares by tender, in the market or otherwise, at a price not exceeding the redemption price.

The $4,000,000 Preference Shares issued in June, 1928, are listed on the Toronto Stock Exchange and application will be made in due course to so list the additional $3,000,000 Preference Shares now offered.

We offer the Preference Shares of the above issue, subject to prior sale and change in price, for delivery if, as and when issued and accepted by us and subject to the approval of our Counsel, at

Price: $100 per Share and accrued dividend, yielding 6%

Wood, Gundy & Company
Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Shares. We do not guarantee, but believe the statements herein made to be true.

FRASER PROGRAM AFFECTS EARNINGS ON COMMON STOCK

Operating Profits Record Satisfactory Gain in 1928

From Our Own Correspondent

MONTREAL. — Earnings of Fraser Companies applicable to the common stock, were less in 1928 than in 1927.

This does not mean that there has been a decline in earning power, for the report covering last year shows a fair increase. On the other hand the heavy expenditures in connection with the companies' program of expansion necessarily increased interest charges, which had the effect of limiting the amount available for the common stock.

During 1928 this company showed earnings, after deducting operating and maintenance expenses, as well as income and other taxes, amounting to $1,765,154, as compared with $1,672,953 for the previous year and with $1,561,825 in 1926.

After deduction of bond and other interest, depreciation and depletion, there remained available for the capital stock an amount of $434,632 on 373,665 shares outstanding. The corresponding figure for 1927 was $514,685 on 312,000 shares issued.

Further deductions were made last year of $371,179 for common dividends and $45,907 as commission and discount on securities sold, leaving a balance of $17,546 which was added to the previous surplus making a total balance in the profit and loss account of $1,599,710.

The following is a comparison of the profit and loss figures for the past two years:

	1928	1927
Operating profits	$1,765,154	$1,672,953
Bond interest	457,647	379,838
Deb. interest	337,154	59,461
Other interest	42,553	125,098
Balance	$ 927,799	$1,107,654
Deprec. reserve	853,121	314,206
Deplet. res.	140,045	116,012
Balance	$ 434,632	$ 677,435
Pref. dividends	.....	162,750
Balance	$ 434,632	$ 514,685
Common dividends	$ 371,179	$ 200,000
Balance	$ 63,453	$ 314,685
Com. and disc. secs.	45,907	83,492
Surplus for year	$ 17,546	$ 231,193
P. & L. balance	1,582,164	1,350,971
P. & L. account	$1,599,710	$1,582,164

Expenditures on capital account during the year amounted to over $6,500,000. This was partly financed from cash and securities on hand at the beginning of the year and partly by the issue of mortgage bonds and debentures.

Another change in the capital structure of the company that was arranged during the year was an increase in the authorized common stock capital to 500,000 shares. New stock was offered to shareholders in November last in the proportion of 1 in 15 at $50 a share. Rights to subscribe to these shares were exercised, but the balance sheet does not reflect the receipt of proceeds, amounting to $1,272,500, which were received on January 31 last. A further change was the disappearance during the year of 23,250 shares of 7 per cent. convertible preferred shares, which were exchanged for common stock on the basis of 3 for 1. The common stock was also increased by the exercise of stock purchase warrants attached to the company's outstanding debentures.

Working Capital Up

A feature of the balance sheet is the strength of the working capital position in spite of the heavy expenditures on plant, a portion of which came out of the company's own resources apart altogether from the proceeds of the issuing of new securities.

Current assets amount to $12,150,708 with current liabilities of $6,493,597, leaving net working capital of $5,656,751. This compares with $7,352,309 at the end of 1927 and with $3,624,510 at the end of 1926. The current working capital position has been improved since the end of the year by cash received from the common shares issued.

Outlook is Good

The report sets forth the marked progress that was made during the year in the program of expansion that has placed the company in a highly favorable manufacturing position for the present year. This program included large additions to the equipment and capacity both of the Edmundston and the Madawaska mill as outlined in the report given below. An outstanding event of the year was the signing of a contract with Sears, Roebuck & Company, of Chicago, covering the supply of their requirements of catalogue paper for a period of ten years. This contract, it is declared, will gradually absorb the entire tonnage of the existing catalogue paper machine and will probably require the installation of an additional machine to come into operation in 1930.

That the earnings should develop materially with the increased productive capacity of the company's plants is indicated from very marked increases that have been brought into effect during the past year and the early part of 1929. The earnings for 1927 were derived from an existing productive capacity of approximately 20,000 tons of sulphite paper, 42,000 of bleached sulphite pulp and 18,000 tons of unbleached sulphite pulp. In the present year the combined production of the Edmundston and Madawaska mills will be at the rate of 66,000 tons per annum (220 tons per day) of fine catalogue paper and 51,000 tons per annum (170 tons daily) of paper board in addition to 18,000 tons (60 tons dailv) of unbleached sulphite pulp at the Chatham mill.

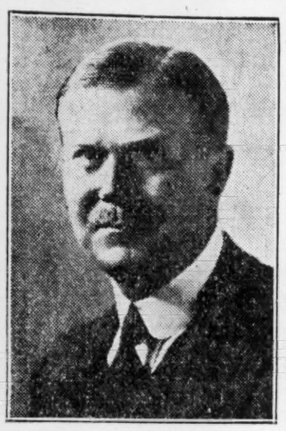
Simon Company Weathers Doldrums Successfully

From Our Own Correspondent

MONTREAL. — Though the first three months of the year are recognized as being the least profitable period in the cigar business, H. Simon and Sons is weathering the slack season in a satisfactory way, and business for the current fiscal year to date shows an improvement over the same period in 1928.

Earnings of the company last year amounted to about $4 a share on the common stock, and there is every likelihood of some disbursement being made on these shares during the present year. Simons are the largest manufacturers of higher priced cigars in Canada, and a period of prosperity such as Canada is enjoying to-day, with a corresponding increase in spending power of the population, is reflected definitely in the earnings of the company.

New Bell Director



LT.-COL. HERBERT MOLSON, elected a director of Bell Telephone Company, succeeding the late F. W. Molson.

BREAK IN WHEAT AS TEMPERATURE RISES IN STATES

Synchronizes with Pool's Decision to Pay Only 12 Cents

From Our Own Correspondent

WINNIPEG. — Sharp breaks in wheat prices on Monday and Wednesday of this week brought them down nearly five cents a bushel from the high points recently attained. The break on Monday came concurrently with the release of information by the wheat pools that an interim payment of twelve cents a bushel would, on March 1st, be made on the higher grades of wheat, with ten cents on other grades, while on some of the very low grades no payment would be made at this time. The initial payment had previously been on the basis of 85 cents per bus. for No. 1 Northern in store at Port Arthur or Fort William. This second payment, bringing the total to date to less than the dollar a bushel basis was construed by some traders at first as a bearish factor, and there was a disposition to attribute the decline to that news. The inference taken from it by some traders was that the pools were carrying more wheat than had been supposed, and consequently more wheat than expected might be later for sale. Such an inference is hardly warranted, for, after all, the total quantity of Canadian wheat is well in sight, and any observer can note how much has yet to be moved forward to market before the end of the season if it is to be got out of the way of next year's crop. On the other hand, there is no indication as to how much of the wheat now in sight has already been contracted for by interests abroad, no matter who may be the current holders in Canada, or to what extent any holder has sold for future delivery.

Weather Important Factor

The weather is a more important factor, and the coming of milder days both in Western Canada and in the winter wheat districts of the United States tends to divert attention to the possibilities of this year's production. It is much too soon to determine how the winter wheat of the United States has come through the winter. Severe weather now, after a period of warming up would probably cause more damage than has yet been experienced.

World disappearances continue to be large. European weather has been milder with heavy snows. These will do no harm to winter grains, but blocked canals and roads continue to interfere with the movement of wheat, both distribution of port supplies to the interior, and of local supplies to other districts. On the whole, the severe European winter seems to be leading to a heavier consumption both of wheat and of feed stuffs.

Prices above $1.30 basis for May seem to have been attractive to the holders of a considerable quantity of wheat, resulting in the market being well supplied with offerings. Public participation in the market so far has been of a somewhat timid nature. With buyers willing enough to get abroad an upward movement if one is coming, but lacking conviction to stay with purchases when a market check occurs.

The biggest influence of the course of prices from now on will be prospects for the year's production. Another month will give some news to go on so far as winter wheat is concerned. Early or late seeding conditions in Western Canada would be taken as having a bearing on crop prospects, but no indications of Western crop conditions are worth much as a rule until well on in June.

Monarch Mortgage Profits Increased by $135,000

The net income of Monarch Mortgage and Investments, in the fiscal year ended December 31, 1928, grew to $41,729 as compared with $30,480 in 1927, an increase of approximately 36 per cent. The paid up capital was increased to a total of $413,332, a gain for the year of $135,000. Tangible assets made a corresponding increase to about $147,000. Mortgage investments by the company amounted to $514,702, and the real estate account stands at $24,691. Surplus and reserve aggregates $83,615.

Albert A. Macdonald, the president, says that the increase in the number of apartment houses in Toronto is still pronounced. The demand in connection with the financing of such buildings has continued unabated. The company has secured a large proportion of its business in the best of the newer structures of this class.

A dividend of 8 per cent on the preferred stock, which is now paid quarterly, was disbursed during the year, as also 10 cents on the no par value common stock. The company has 300 shareholders located principally in the province of Ontario.

Profit and Loss Account
Years Ending December 31

	1928	1927
Income	$53,442	$40,167
Less: Expenses	11,713	9,686
Net income before deducting income tax	$41,729	$30,481

January Exports of Asbestos Decline from Last Year

From Our Own Correspondent

MONTREAL.—Exports of asbestos in January showed a small decrease as compared with the corresponding period of last year, but a substantial decline as compared with the preceding month.

DOM. ENGINEERING BETTERS POSITION IN ALL BRANCHES

Profits for 1928 Nearly Double Those of 1927

From Our Own Correspondent

MONTREAL.—The annual report for 1928 of the Dominion Engineering Works is one of the most satisfactory that has been presented to the shareholders in some years. Not only were profits nearly double those of the preceding year, but the already strong balance sheet was further strengthened and the net working capital increased by nearly 100 per cent.

Profits for the year from contracts, interest on investments and miscellaneous earnings, after providing for income tax, amounted to $1,134,672, as compared with $675,062 in 1927.

Net earnings for 1928 were equal to $6.19 a share on the capital stock outstanding at the end of the year, this after a substantially greater deduction of reserves than in the previous year, and compares with $4.29 a share shown on the outstanding capital stock at the end of 1927. The current report shows 125,000 shares of no par value outstanding, as compared with 111,665 shares outstanding at the end of 1927.

Profit and Loss Figures

The profit and loss figures compare as follows:

	1928 $	1927 $	1926 $
Profits*	1,134,672	675,062	758,646
Depreciation	210,281	195,752	198,674
Balance	924,391	479,310	559,971
Inc. tax, etc.†	.....	.....	15,001
Balance	924,391	479,310	544,969
Add deprec.	.....	.....	48,068
Balance	924,391	479,310	496,901
Cont. res.	100,000	.....	.....
Balance	824,391	479,310	496,901
Res. ins.‡	50,000	.....	.....
Net	774,391	479,310	496,901
Dividends	353,832	189,830	133,998
Balance	420,559	289,480	362,903
Bonus	62,500	.....	.....
Surplus	358,059	289,480	362,903
Prev. surplus	901,480	612,001	249,097
P. & L. balance	1,259,539	901,481	612,001

*From contracts, interest on investments and miscellaneous earnings, after providing for income tax.
†Income tax for 1925 and other contingencies.
‡For Workmen's Compensation.

Balance Sheet Strong

The balance sheet shows the company's financial position to be exceptionally strong. Net working capital is shown in the current report at $2,423,950, as compared with $1,291,172 at the end of 1927.

The report also draws attention to the amount of work that the company has in hand. In addition to general orders, Dominion Engineering has on its books orders for 20 turbines of various sizes; five pivot valves; miscellaneous small turbines and valves; 4 newsprint machines; one pulp drying machine; miscellaneous paper mill equipment; and 4 electric steam generators. In addition the company is reconstructing and modernizing a number of existing paper machines.

Statement on Walmsley

In regard to the acquisition of Charles Walmsley and Co. (Canada) during the year, G. H. Duggan, president, says in part:

"Toward the close of the year representations were made to your company by those in control of Chas. Walmsley and Co. (Canada), Limited, that actions has been instituted against that company which would result in liquidation, bringing serious loss to the customers whose work was in progress and to the Sir W. G. Armstrong-Whitworth Company which had guaranteed the principal and interest of the bonds of Chas. Walmsley and Co. (Canada), Limited. As a result of the negotiations your company agreed to protect the Armstrong-Whitworth Company against its undertaking on the said bonds (amounting to $898,000), and undertook the payment of all trade liabilities and the completion of all orders of Chas. Walmsley and Co. (Canada). The consideration received by your company was $250,000 and all the issued shares of Chas. Walmsley and Co. (Canada), Limited. This money is shown on the balance sheet as a reserve against the contingency liability of the guarantee to Sir W. G. Armstrong-Whitworth Co.

"Chas. Walmsley and Co. (Canada) is principally a manufacturer of papermaking machinery, holding exclusive Canadian licenses from the well-known firm of Chas. Walmsley Co. of Bury, England. It had contracts in progress at the time of the negotiations for:

"Two 234 in. Minton Vacuum Dryer Machines for the Riverbend Mill if Price Bros. and Co.; a book-paper machine for the Rolland Paper Company; remodelling of other paper-machines; six continuous wood grinders, vacuum pumps, beaters and similar lines of manufacture.

"The arrangements above outlined allowed Chas. Walmsley and Co. (Canada) to continue in operation without interruption.

"The operations of Chas. Walmsley and Co. (Canada) have not conflicted with the operations of your company in the past and will not conflict in the future. At the present time both companies have orders on their books which will keep them fully occupied for some time and it is hoped this condition may continue."

SARNIA BRIDGE "A" EARNS $4 A SHARE

Company Publishes First Annual Statement Since Formation

From Our Own Correspondent

MONTREAL—The first annual statement of the Sarnia Bridge Company reveals earnings on the class "A" stock of $4.14 a share, and $1.72 a share on the class "B." No allowance is made for depreciation in the company's income account. The balance sheet shows the ratio of current assets to current liabilities as a little better than 2 to 1. Total assets amount to $708,000. Under liabilities, reserves are shown at $108,213, bank loan at $54,200, and accounts payable at $37,245.

The income account for the past year is as follows:

	1928
Net profits	$53,721
Dividends on Class A	15,758
Loss on disposal of equipment	417
Income tax reserve	4,000
	$20,175
Profit and loss balance	$33,546

Working Capital Position

Current assets	$296,019
Current liabilities	112,473
Net working capital	$185,856

Brompton's Market Follows Forecast

From Our Own Correspondent

MONTREAL. — The substantial appreciation in the shares of the Brompton Pulp and Paper Company has borne out completely the optimistic forecasts about the company by The Financial Post a few weeks ago when the shares were selling around 33. At that time, The Financial Post called the attention of investors to the fact that all factors indicated that the company, from its production other than newsprint would, in 1929, earn sufficient to meet its dividend requirements; and unlike the other producers that Brompton had no securities outstanding ranking senior to its common shares and was not solely dependent for profits on the prevailing price of newsprint.

The possibility of a merger between Brompton, Lake St. John and St. Lawrence Paper Mills, first exclusively published in The Financial Post, is now said to be the reason for the appreciation in the shares.

There seems to be no doubt that from time to time pourparlers along such lines have taken place, but there seems to be no immediate prospect of the consummation of any such merger. Ultimately, though, there seems to be every possibility of some closer association between these companies, for the Dominion Securities Corporation controls Brompton; is largely interested in Lake St. John; and took part in the financing of the St. Lawrence Paper Mills. Moreover, these three companies are the most important of what might be termed the independent group of newsprint producers.

Notwithstanding the merger rumors, the real reason for Brompton's rise seems to be due solely to a better appreciation of the position occupied by the shares. The annual report of Brompton, published elsewhere in this issue, shows profits of $3.56 a share.

AGNEW-SURPASS INCREASE STORES IN RETAIL FIELD

Shares Will be Called for Trading on Curb Shortly

MONTREAL.—Earnings of the Agnew-Surpass Shoe Stores continues to grow, and the outlook for the company during the current year is favorable. New stores were recently opened in Ottawa and Kingston, bringing the total number of stores operated up to 31. Excellent sales are reported from the new stores. Agnew-Surpass is the latest entry into the chain store field of public investments in Canada. The record of its component companies is one of gradual and steady expansion both in operations and earnings, over a long period.

The present company was formed in the latter part of 1928 as a consolidation of the John Ritchie Company, the John Agnew Company and the Surpass Shoe Company. This merger places Agnew-Surpass in control of one of the largest manufacturers of boots and shoes, and the largest boot and shoe chain store system in Canada. The John Ritchie Company was established in Quebec 50 years ago and is now the largest exclusive manufacturer of men's high and medium grade footwear in Canada.

Large Daily Output

Its output is approximately 2,000 pairs of boots or shoes a day, which presents about 12 per cent of the total output in Canada of men's welts. A consistent record of profits is due largely to the fact that the company has confined its production to conservative styles of men's boots and shoes. By avoiding entirely the field of women's footwear, the company has eliminated the necessity of producing a large variety of different styles, and consequent losses resulting from the vagaries of fashion.

The company has no funded debt. There is $1,000,000 outstanding in preferred stock, and 80,000 shares of no par value common. The preferred shares are convertible, at any time, into three shares of common stock. The common shares to-day have a value of about $18 a share. These shares will be listed shortly on the Montreal Curb Market.

The outlook for Agnew-Surpass is favorable. The same management which has brought the component companies to their present strong position, is still active. Earnings of the different companies have shown a steady increase through good times and bad. Agnew-Surpass manufactures a commodity for which there is a constant demand. The company is in a strong position in the particular field which it serves. With a saving in operating expenses, and an increase in the number of stores in the company's chain, the outlook for future earnings appears to be satisfactory.

Tape Readings

WESTERN STEEL PRODUCTS

In denying a rumor, in this column a week ago, that there would be a merger of Western Steel Products and Eastern Steel Products, it was inadvertently stated that Metal Shingle & Siding Co. was a subsidiary of Western Steel Products. Metal Shingle is one of the constituent companies forming Eastern Steel Products. Western Steel Products operates in the East through its subsidiary, the Metallic Roofing Co., Toronto.

MORE CAULFIELD'S STOCK

Shareholders of Caulfield's Dairy, Ltd., have ratified a plan for the reconstruction of capital through the issue of 1,500 preference shares with a par value of $100 each and 6,000 common shares without par value. The preference shares are to be convertible into common on a basis of two common for one preferred. The latter is redeemable at $110.

McKINNON INDUSTRIES

Enough of the McKinnon Industries stock has been deposited with the National Trust Company to satisfy the requirements of the General Motors Corporation, and it is now a foregone conclusion that the recently announced deal will be consummated. The directors of McKinnon Industries are understood to have resigned to make way for selections by General Motors. The latter will greatly extend the McKinnon plant at St. Catharines, it being rumored that $4,000,000 is to be spent in this connection. Seventy-five per cent of the McKinnon stock was required to be deposited to insure the merger.

Outlook Unsatisfactory for Attendu Engines

From Our Own Correspondent

MONTREAL.—It is probable that the Buffalo Gasoline Motor Company will not use the Attendu method of air control in the commercial production of marine engines. The Attendu method of air control is one of the more important patents of the Attendu Engines, Limited, and one upon which the directors were depending for payment of royalties.

In the statement issued by C. G. Greenshield, the president of Attendu Engines, he said that if the patent should definitely prove unsuitable for commercial application, and the company were unable to collect any royalties from the other minor patents, the assets of the company would then be represented by the actual cash and marketable securities available in the treasury after payment of outstanding liabilities and commitments, amounting to approximately $1.25 a share.

At the company's annual meeting scheduled for March 19, a more final and definite statement regarding the company's patent position and its general situation would be submitted to shareholders. In the meantime, however, the directors thought it desirable to place before shareholders the facts insofar as they have been established up to the present time.

NEW POWER CORP. DEBENTURE ISSUE IS CONVERTIBLE

May be Exchanged Into Common Until 1934

From Our Own Correspondent

MONTREAL.—Nesbitt, Thompson and Company are making a private offering of an issue of $10,000,000 series "B" 4½ per cent convertible debentures of Power Corporation of Canada at $100 and accrued interest. It is understood that a public offering will be made some time next week.

The convertible feature in connection with these debentures is attractive. It provides that the debentures may be converted at the option of the holder at any time within the next five years into no par value common stock of the company at $150.

Plenty of Equity

This new offering will increase the amount of debentures outstanding to $15,000,000 and current earnings of the company are running at the equivalent of approximately three times debenture interest requirements, while the assets of the corporation approximate four times the debentures outstanding.

It will be recalled that a little over 12 months ago, Nesbitt, Thomson & Company, Limited, offered an issue of $5,000,000 5 per cent thirty years Convertible Debentures known as Series "A." These debentures were sold at $98½, were convertible on the basis of one share of common stock for each $100 debenture, and were purchased by investors in Canada, Europe and the United States. Due to the widespread recognition by investors of the strong assets and earning position of Power Corporation, the common stock of the company is now being traded in at 117 to 120, while Series "A" debentures are quoted at 125.

The new issue of debentures is in line with the announcement made last summer by A. J. Nesbitt, president of Power Corporation, of the management's intention to build Power Corporation up to a $100,000,000 company.

MAR. TEL. & TEL. EXPANDS IN YEAR

Annual Report Shows Large Assets — Gross Up — Net Little Changed

From Our Own Correspondent

MONTREAL.—The annual report of the Maritime Telegraph and Telephone Company covering the 1928 year, shows a satisfactory growth in operating revenues. Net income for the year remained close to the figure of 1927, but the balance in profit and loss account revealed a satisfactory increase.

In his remarks to the shareholders, O. E. Smith, the president, says that the number of telephone stations has increased from 34,870 to 36,455—the largest gain in a number of years.

The balance sheet reflects the growth of business generally in Nova Scotia. Fixed assets are now carried at $7,548,000 as against $7,200,000 a year ago. The company's satisfactory liquid position has been well maintained. Investment account has increased from $336,000 to $386,000 during the year.

Capital is Changed

In the liabilities, the funded debt remains unchanged at $2,500,000. The share capitalization now consists of $1,500,000 in preferred and $1,000,000 in common—the $956,670, 6 per cent preferred having been redeemed during the year.

The income account and working capital figures of the company over the past two years compare as follows:

	1928	1927
Operating rev.	$1,668,504	$1,577,739
Operating exp.	1,147,097	1,155,734
Oper. profits	$ 521,406	$ 422,025
Non-oper. charges	93,784	.....
Balance	$ 427,622	$ 422,025
Non-oper. rev.	49,735	48,360
Income	$ 477,357	$ 470,385
Rents	8,734	8,540
Bond interest	140,000	140,000
Tax	24,657	24,344
Net profits	$ 303,966	$ 297,501
Dividends	254,036	232,558
Surplus	$ 49,930	$ 64,943
Bond discount	10,293	10,349
Miscellaneous	1,615	.....
Balance	$ 38,022	$ 54,594
Prev. balance	158,897	104,303
Tax adjustment	2,898	.....
P. & L. balance	$ 199,817	$ 158,897

Working Capital Position

Current assets*	$1,067,597	$1,046,512
Current liabilities	272,545	237,585
Working capital	$ 795,052	$ 808,927

*With investments.

AIRPLANES FIND MINES IN NORTH AS MAP UNROLLS

N.A.M.E. Annual Report Out in Few Days

Pushing back the outposts of Empire from Labrador on the east to Alaska on the west and north to the Arctic, Jack Hammell and his "flying prospectors" of the Northern Aerial Minerals Exploration Co., have during the past year written bold a new page in the history of Canadian development.

Not since the days of the great explorers, Cartier, Champlain, La Verendrye, La Salle, Fraser and Mackenzie, have Canadians done so much to search out the possibilities of our great Dominion.

The full particulars of what has been accomplished in the past year, by the N. A. M. E. field force, whose prospecting operations have resulted in the discovery of a number of important finds, will be set out in the annual report which is now ready for publication.

"Over one thousand miles of flying over the north country without a single air casualty; much of it over virgin territory, probably never visited before by white men; some of it over regions that abound with mineral possibilities; all of it effective for the exploration and the establishment of bases, and for the carrying of men and their tools and provisions," is the way John E. Hammell, the founder of the organization sums up the record of his company.

While the Crow River and Shoniah Lake groups of claims are perhaps the most important discoveries to date, an idea of the immense ramifications of the company's properties may be gained, when it is considered that among other stakings, was that of five miles of claims on Belcher Island, Hudson Bay, considered one of the biggest iron deposits in North America.

The company in its first year has laid the foundation for its future activities. Three large camps have been established in the north, with two years provisions, in addition to 26 bases scattered out across the country from Labrador to the Mackenzie River. Winter or summer the company is prepared to carry men and supplies to whatever section of the north country offers most promise for mineral development.

STANDARD CLAY PROFITS LARGER THAN IN PAST

From Our Own Correspondent

MONTREAL. — Gross profits of $131,906, after providing for all manufacturing, selling and administration expenses, and charging general repairs and renewals to operating expenses, are reported by the Standard Clay Products Limited, for 1928. This is some $12,000 above that reported for 1927 and is the best for any year on record since 1923.

Out of this sum, $59,344 has been written off for depreciation of buildings and equipment and depletion of clay deposits; provision made for income tax amounting to $3,981 and $45,000 for the annual interest on the company's bonds, leaving a balance, transferred to surplus account, amounting to $23,581. On the 7,500 shares of common stock, $100 par value outstanding, earnings are equivalent to about $3.15 a share.

Income Account Good

The consolidated statement of surplus profits for the past two years follow:

	1928	1927
Operating profit	$131,906	$119,027
Bond interest	45,000	45,000
Depreciation	59,344	51,245
Income tax	3,981	1,683
Net profits	$ 23,581	$ 21,099
Dividends	.....	22,500
Surplus	$ 23,581	*$ 1,401
Add previous surplus	85,451	86,852
Goodwill written off	.....	50,000
Bal. carried forward	$109,031	$ 85,451

*Deficit.

In his report to the shareholders, Herbert Molson, president, says in part that the fiscal year closed without any indebtedness to the bank; all inventories of raw materials and manufactured wares can be taken at not more than cost; all machinery, buildings and kilns have been maintained in the usual excellent repair, while the operation of the new "hume" concrete pipe plant and the disposal of its output were all that could be desired.

The balance sheet shows the company to be in a strong liquid position. Current assets amount to $386,202, as compared with current liabilities of $24,080.

WORKING CAPITAL OF BURT GAINED $247,598 IN YEAR

After Meeting All Charges Balance of Profits Was $183,931

A good measure of progress was made by F. N. Burt Company in the fiscal year ended December 31, 1928, the profits amounting to $789,843, an increase during the period of $32,822. After making provision for depreciation of plant amounting to $187,445, writing $25,608 off patents and providing $67,000 for Federal taxes, the net aggregated $509,788. Dividends on the preferred amounted to $5,799, and those on the common stock to $320,058, leaving a balance of profits of $183,931, which, with the surplus of $858,763 brought forward at the first of the year, gave a total of $1,042,694 to be carried to the new account.

The comparative statement of assets and liabilities revealed some interesting figures. While assets reach a total of $5,985,604, an increase during the twelve months of $165,999, goodwill is carried on the books at only $1. Plant, machinery and equipment was valued at $2,266,813, a gain of $148,392. Inventories are up from $820,305 to $845,642, an advance of $24,937, and accounts and bills receivable from $370,122 to $453,025, an advance of $82,903. Cash showed a slight decrease of $8,527 to $196,138. On the liability side accounts and bills payable showed a reduction from $502,265 to $385,399, a drop of $116,866.

S. J. Moore, the president, points out that the increase in net profits over those of the previous year was due to improved manufacturing facilities. He adds that the working capital of the company, which was heavily drawn upon during the years 1926 and 1927 in the building of the new factory at Buffalo, was increased during the past year by $247,598. It is the expectation of the directors that this will be further increased during the current year, which has opened up satisfactorily. The outlook for business, in his opinion, is promising.

INCOME AND SURPLUS ACCOUNT
Years Ending December 31

	1928 $	1927 $	1926 $
Profits	789,843	757,021	664,727
Appropriations—			
Deprec.	187,445	166,700	138,844
Patents	25,608	26,348	25,595
Pref. divs.	5,799	6,315	7,649
Com. divs.	320,058	319,173	316,887
Fed. taxes	67,000	67,000	100,000
Off goodwill	.....	.....	534,775
	605,912	585,538	1,123,850
Surp. after taxes, etc	183,931	171,483	*459,123
Bal. forward	858,763	687,279	1,146,403
Cal. car. for.	1,042,694	858,765	687,280

*Deficit.

LITIGATION OFF IN LONDON LOAN; ONE SIDE SELLS

George McCormick's Stock Bought Out by Coles Group

With the consent of both parties, a judgment is to be entered confirming the election of Lieut.-Col. W. G. Coles, and his associates as directors of the London Loan and Savings Company. By purchase of the stock interest of George G. McMormick, the former president, the matter of control is automatically settled.

Mr. McCormick, who was president during 1928, was re-elected with his board at the recent annual meeting. The group headed by Col. Coles and J. A. E. Braden, a London solicitor, took exception to the manner in which the election was held, and court action followed.

With the amicable settlement of the affair. Mr. McCormick's group retires and the Coles group is in possession. The board is to be increased to 11 from its present five. John H. Hambly, who was managing director under McCormick will be retained as manager and secretary-treasurer in the new arangement.

Expect Railway Board Will be Fair to Bell

Strengthening of shares of Bell Telephone Company this week following the introduction of the Dunning bill regarding public utility and railway companies, would seem to reflect investment opinion that the Board of Railway Commissioners will permit the company to issue stock rights to shareholders. A section in the Dunning bill permits the board to fix the price at which shares may be issued by companies under its jurisdiction.

It is anticipated that the board will give due consideration to the company's argument that its method of raising new capital is the cheapest in the long run, and will permit occasional issues of stock at somewhere between par and market value. In any event the new measure practically insures that the company's bill to double its authorized capital will go through.

Another new provision gives authority to the railway board to call for particulars of any related company to the company under its jurisdiction, and any lease, contract, or arrangement entered into with such companies. This is supposed to provide for cases like the Northern Electric Company, which is a subsidiary of the Bell Telephone Company.

Bell Telephone Company does not object to any investigation of its subsidiary that does not reveal internal figures that would embarrass it in ordinary business competition.

Mackay Companies Profit Slightly Above 1927

Annual report of Mackay Companies for the year 1928 is of less interest than in former years, as virtually all the stock is now held by International Telephone & Telegraph. The report itself differs from previous years in that Mr. Mackay's usual comprehensive survey of the situation is lacking.

Income and profits from investments in other companies for 1928 were $4,970,798, as against $4,910,798 in the previous year. Operating expenses were lower in 1928, the figures being $244,585 and $283,417. Dividends paid were somewhat less, $4,612,628 being paid in 1928, as compared with $4,611,989 in 1927.

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Sound Promotions 1409 Peel Street, Tooke Building corner St. Catherine Street West *Unlisted Stocks*
MONTREAL
Agents for Real Estate Securities of the Property Corporation of Canada. Telephone Lancaster 7264.

"A Thriving Canadian Industry"
THE COMMERCIAL LIFE

Business in Force Increased 11.21%
Assets Increased 33.44%
Reserves Increased 28.52%
Premium Income Increased 13.52%
Total Income Increased 16.20%
Interest Income Increased 30.65%
Average Rate of Interest Earned, 7.56%
Paid in Claims for the Year, $42,772.
All of which were paid within 24 hours of receipt of proof.

Year.	Business in Force	Assets.	Policy Reserves	Premium Income.	Total Income	Interest Income
1918	$184,000	$71,905	$11,825	$5,578	$11,278	$2,873
1920	$723,000	$109,699	$29,763	$22,386	$33,444	$5,963
1922	$3,920,359	$229,745	$123,938	$89,368	$143,787	$11,422
1924	$5,754,629	$400,866	$312,463	$156,998	$195,791	$15,181
1926	$6,790,998	$611,909	$519,862	$223,174	$252,492	$28,681
1928	$10,058,498	$1,024,117	$863,803	$316,771	$376,193	$52,394

BOARD OF DIRECTORS
R. H. Cautley, Esq. (President), Edmonton; Dr. E. W. Allin (Vice-President), Edmonton; Sheriff L. G. Calder (Vice-President), Saskatoon; W. A. Henry, Esq.; W. W. Prevey, Esq., M.L.A.; H. W. B. Douglas, Esq.; J. W. Glenwright, Esq., Edmonton; W Fletcher Bredin, Esq., Grande Prairie; F. O. Hodgson, Esq., Vancouver; John East, Esq., Saskatoon.

Managing Director: J. W. Glenwright, Esq. Secretary: E. B. H. Shaver, Esq.
Medical Referee: E. W. Allin, Esq., M.D., C.M. Statistician: D. M. Robertson, Esq.
Consulting Actuary: C. C. Sinclair, Esq., F.A.S., Winnipeg
Agency Registrar: W. E. Smith, Esq. Chief Accountant, H. E. Chillman, Esq.

The Commercial Life is developing its field organization for the purpose of taking advantage of the greater prosperity and development in Western Canada and is prepared to appoint full time or part time representatives in all districts where the Company is not now represented in Alberta, Saskatchewan and British Columbia. Communicate directly with the Head Office Agency Department, or with the nearest Branch Office of the Company.

EDMONTON SASKATOON REGINA CALGARY

COMMERCIAL LIFE ASSURANCE COMPANY — Head Office, Edmonton — Sound as the Dominion

Automobile Industry in Canada

RUSSELL MOTORS PROFITS REACHED $139,054 IN 1928

Two of Constituent Companies Had Best Year in History

The net gain made by the Russell Motor Car Co., Ltd., during the year ended December 31, 1928 amounted to $139,054, compared with $123,274 in the previous year. After preferred dividends, the profit on the 8,000 shares of common was $6.87 per share, as against $4.90 the previous year.

Dividends on the preferred stock took $84,000 at the rate of 7 per cent per annum and $40,000 involved in two half-yearly dividends on the common stock and a bonus of one per cent in addition at the end of the year. The amount shown in the profit and loss statement as net gain for the year is made up of the dividends from Canada Cycle and Motor Company and interest and dividends of other outside securities held. It does not include any proportion of the company's share of profits earned in Canadian Acme Screw and Gear or Willys-Overland.

Investments Grow

The company's asset position continues strong. While little money is carried in the bank, investments in government and municipal bonds total $242,264, compared with $315,055 a year ago and those in bonds and preferred shares of public utilities and industrial companies $322,642, as against $230,852 a year ago. Investments in allied and subsidiary companies amount to $2,469,162. On the liability side of the ledger the contingent account reaches the sum of $216,075 and the reserves for investments $258,343. The profit and loss account totals $564,517.

T. A. Russell, the president, in his report to the shareholders, outlines the progress made by the constituent companies. Canada Cycle and Motor Company again showed an increase in volume of business and declared and paid a dividend of 8 per cent and a bonus of one per cent on its capital stock of $1,350,000. A slight increase in the volume of bicycle business featured the year and a more marked increase in the sale of children's vehicles, which branch of the company's business operations continues to give promise of steady growth. The year was the best in the history of Canadian Acme Screw and Gear in respect of volume of business and net profits.

In addition to the regular line of screw products, the manufacture of motor car transmissions was expanded by the addition of certain new accounts. Mr. Russell asserts that the company has definitely established itself now as a leader in the field of precision machine and gear work. In addition, contracts were taken for the manufacture of shock absorbers and a new department opened for the handling of this business. The outlook for the current year is declared to be promising.

Willys-Overland has completed the largest year in its experience. Over 20,000 cars were manufactured and shipped from the Toronto plant. Mr. Russell says that the outlook for 1929 is for still further increase in business and, to enable the company to accomplish this, a further important addition to plant has been completed.

INCOME AND SURPLUS ACCOUNT
Years Ending

	Dec. 31, 1928	Dec. 31, 1927	To Dec. 31, *1926
Net profits	$139,054	$123,274	$ 56,450
Preferred div.	84,000	84,000	35,000
Common div.	40,000	32,000	10,000
Surplus for year	15,054	7,274	11,450
Add: Prev. surplus	549,463	542,189	530,739
Bal. carr. forward	$564,517	$549,463	$542,189

* For 5 months.

Winnipeg Automobile Show Proved Substantial Success

The automobile show held in Winnipeg from Feb. 9 to 16 was an outstanding success both from the financial angle and from the point of business actually transacted during the show.

Every one of the twenty-odd exhibitors reported sales made to buyers with whom they had never previously come in contact and, in addition, they were able to secure prospect lists of the greatest value for the seeking of future sales.

At no time in the history of the Winnipeg Automobile Dealers' Association has there been better co-operation on the part of the members, and as a result, the work of the show committee was lightened considerably. The show was staged in the Hudson's Bay store on Portage Avenue, where practically an entire floor was placed at the disposal of the association through the courtesy of the Hudson's Pay Co.

Even with the extra floor space which was provided for this year's show, the exhibitors were still cramped for room and did not display their entire line of models. With the space at the disposal of the committee, booths were laid out for twenty-one exhibitors, and 120 models were exhibited.

The committee in charge of the show was C. L. McLaughlin, G. C. Boyd, Percy Latter, W. Kickley and A. C. Emmett, secretary of the association and show manager.

Admission to the show was free during the daytime, but a small fee of twenty-five cents was charged during the evening when special band concerts were arranged. Attendance during the daytime totalled more than 50,000 for the week and the night attendance was more than 7,000.

"CAR-OF-THE-MONTH" OFFERED BY REO

Only One to a Dealer, Insuring Individuality for Owner

A NEW departure in automobile design has been made by the Reo Motor Car Company with the announcement of a line which is to be called the "Car-of-the-Month." It is scheduled to appear March 1 in the United States in the form of a special de luxe edition of the Reo Flying Cloud—the Master—but the output is to be strictly limited.

Individuality for the woman who drives this car is what the Reo designers have sought, the idea being that the driver will rarely, if ever, meet its duplicate on the road. And to carry out this policy in the truest sense of the word, each dealer will be provided with but one each month.

These "Cars-of-the-Month" will be upholstered in a special fabric never before used in automobiles. Made by Cheney Brothers, this fabric is being designed and woven specially for these special models. True harmony will be achieved by the color scheme of the body being absolutely in taste with the interior finish, an ensemble created by one of the greatest stylists on the continent.

Officials of the Reo Company believe that with the vogue for light silks and jerseys for women's dresses this new fabric meets the demand of the woman who wishes the upholstery and general color scheme of her car to be as definitely of the mode as the materials used in her own costume.

STUDEBAKER LEASES GOTFREDSON PLANT

Latter Had Been Working on Studebaker Bodies Before Collapse

Two units of the Gotfredson plant at Walkerville, Ont., have been leased to the Studebaker Corporation of Canada, according to an announcement made by the Studebaker vice-president and general manager, D. R. Grossman. This will ensure continuance of operations at the factory of the Gotfredson Corporation, which was placed in the hands of the receiver last week when the United States branch of the concern became involved in financial difficulties.

Mr. Grossman, in making the announcement, declared that the entire staff of 110 men employed by the Gotfredson Corporation would be retained, and that number possibly added to. The two units leased are the painting shop and trimming department. These will be used by Studebaker to build bodies.

At the time of the Gotfredson collapse the company's plant was working on Studebaker and Erskine body building, so that the effect of the lease will be to continue without interrupting that work. Studebaker will pay rental for the premises and meet the payroll.

As a matter of fact, Mr. Grossman declared, it would give Studebaker the opportunity they desired to speed up body production on Studebaker and Erskine, as schedules on both lines had been delayed recently by lack of bodies.

Studebaker Appoints Leishman in Montreal

The Studebaker Corporation of Canada has announced the appointment of W. Harry Leishman as manager of the Montreal retail branch, succeeding Malcolm LeMieux, who has resigned.

W. H. Leishman

Mr. Leishman is well known in automobile circles in Canada. He was born in Winnipeg, where his uncle, Hon. J. D. McGregor, has recently been appointed lieutenant-governor of the province. For many years Mr. Leishman has been sales manager for Just Motors in Montreal, which, together with previous experience in the automobile business in Montreal and Toronto, qualifies him for his new position.

Durant Will Have Room to Expand Plant Facilities

In anticipation of a larger volume of business than they have heretofore enjoyed, Durant Motors of Canada has erected an administration building at their plant at Leaside, Ont., and it is expected that the business offices will be removed from their present quarters to the new building in a few weeks' time.

As soon as the office staff is installed in its new quarters, the space now occupied will be turned over to the production and service departments.

This is going to make many thousands of square feet available for factory uses and a good deal of it will be allotted to the extension of the production line.

Increased business demands increased daily production, and while new equipment and space secured in other parts of the plant will take care of a percentage of the increased production, everything is being done to take full advantage of the released office space with the least possible delay.

Marmon Ships Trainload of Cars to Montreal

This week a solid trainload of New Series Marmon 68 and 78 automobiles was shipped to Montreal to supply the immediate demands of the Marmon Montreal Motors, Ltd., new distributor in that city.

A trainload shipment was made in order to give the new Montreal company an opportunity to hold its opening immediately. G. B. Allison is president of the Marmon Montreal Motors, and N. B. Capes, general manager.

The Canadian Auto Sales, Ltd., formerly Marmon distributor in Montreal, will also continue to operate in a retail capacity in Montreal, maintaining its same sales and service establishment under J. C. Gagne, president.

Ontario Shows Surplus of $228,236 for Year

Hon. J. D. Monteith, provincial treasurer of Ontario, reported a surplus of $228,236 for the year to October 31 in his budget speech this week.

During 1928, the province had the largest revenue in its history, $58,426,982. Expenditures totalled $58,198,746.

The government again paid $3,000,000 off the debt and the net debt now stands at $173,793,000. A similar debt reduction would be made in 1930, under the retirement plan inaugurated a few years ago. Gross debt is $393,747,000.

Export Lethbridge Flour

Lethbridge mills are again exporting flour. The Ellison Milling and Elevator Company, which will shortly begin the erection of a large warehouse at Vancouver, has a consignment of 10,000 bags en route to Hong Kong.

Hamilton Branch is Moved

Harley, Milner & Company, stock brokers, have moved their Hamilton office to the Pigott building.

TENDERS
For Capital Stock
of
The
Consumers' Gas Company
of Toronto

$1,250,000

12,500 SHARES PAR VALUE $100 EACH

Sealed tenders, addressed to The Consumers' Gas Company of Toronto, 19 Toronto Street, Toronto, Ont., and marked "Tender for Capital Stock," will be received by The Consumers' Gas Company of Toronto until 12 o'clock noon of the 14th day of March, 1929, for the purchase, in lots of any desired number of shares, of Twelve Thousand Five Hundred (12,500) shares of the unissued capital stock of the said Company (each share having a par value of $100.00), subject to certain conditions and terms of sale, the particulars of which, together with the form of tender to be used, may be had on application at the office of the Company at the above address.

Dated at Toronto, this 18th day of February, 1929.

By order of the Board of Directors.

ARTHUR HEWITT,
General Manager.

FIVE YEARS
Financial and
Sales Experience
UNIVERSITY GRADUATE
Desires position affording good prospect for the future —though immediate salary be less than now received.
Excellent references.
Box 77
THE FINANCIAL POST
Toronto, Ont.

Silverwood Company to Add Six Dairies

Gross Sales of Sextette Already in Holding Company Total $3,260,000 in Nine Months

Shareholders of six dairies in the Silverwood chain in Western Ontario shortly will be offered preferred and Class A shares in Silverwood Dairies Ltd., the holding company, for preferred and common shares in their respective companies. Silverwoods Dairies, Ltd., the holding company, at present controls the original Silverwood company at London, and five other dairies, at St. Catharines, Lucknow, Windsor, Kitchener and Elmira.

There are at present 19 dairies or ice-cream plants in the Silverwood chain and it is possible that other dairies will be acquired shortly. Silverwoods Dairies, Ltd., the holding company, ultimately may offer its stock for all of the outstanding stock of the constituent companies but it is stated that no exchanges will be proposed until it is demonstrated that the individual companies can stand on their own feet.

The original six dairies, it is reported, have done very well in the last year and six others, the names of which have not yet been divulged, have been sufficiently established to lead the management to believe that their future success will be enhanced by the holding company's assumption of a larger measure of control.

In the nine months ended December 31, 1928, gross sales of the six companies totalled $3,262,193. The net profit after interest but before depreciation was $286,240. Depreciation and organization expense written off totalled $95,979, leaving $190,260 for taxes and dividends on preferred shares. The amount remaining for dividends on the Class A and common shares was $128,260 for the nine months. The total Class A and common shares outstanding after all exchanges have been completed will be 60,000 shares, it is stated. The preferred totals $1,606,000. The company will have no funded debt.

FANNY FARMER'S COMMON PROFIT GROWS IN YEAR

Net Is $2.56 After Providing for Preferred Sinking Fund

Fanny Farmer Candy Shops, Inc., reports profits of $3.22 per share on the 100,000 shares of common stock before preferred stock sinking fund. With the $50,569 deducted for redemption of preferred shares, the amount remaining available common dividends is $2.56 per share, compared with $2.48 a year ago.

There are now 26,955 preferred shares outstanding of an original issue of 30,000 shares. These preferred shares are of no-par value and are entitled to a $2.40 annual cumulative dividend.

Balance sheet reveals the company to have strengthened its position. Current assets are up from $792,454 to $899,159. Fixed assets, less depreciation, stand at the same figure as a year ago, $536,000. Goodwill and leaseholds remain at $500,000.

Opens New Factory

Current liabilities are only $96,194, of which $78,000 is for state and federal taxes. Capital and surplus stand at $1,914,951, compared with $1,758,805 a year ago.

The company in the course of the last year opened a new factory, or "studio" in Cleveland, O., and now operates a number of shops in that district. The report, signed by Frank P. O'Connor, president, states that results have been about as were expected. It is added that plans for expansion are well under way.

Following is the profit and loss account for the past two years:

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1928	1927
Profits	$461,146	$439,067
Other income	2,631	.....
	$463,777	$439,067
Less: Release from leases	15,000	.....
Income taxes, etc.	77,370	72,494
Net profits	$371,407	$366,573
Less appropriations: Pfd. stock sink. fund	50,569	50,000
Pref. dividend	64,692	68,102
Com. dividend	100,000	.....
Surplus for year	$156,146	$248,471
Prev. surplus	994,984	746,513
Total surplus	$1,151,130	$994,984

HAYES WHEELS PROFIT IN YEAR IS MUCH HIGHER

Add to Plant Without Reduction in Liquid Assets

Hayes Wheels & Forgings, for the fiscal year ended December 31, 1928, reports earnings on the common stock of $4.33 per share after depreciation, bond interest, taxes and all other charges. This compares with $3.07 per share in the previous year.

Hon. J. D. Chaplin, M.P., the president, states in the preamble to the report that the company spent $242,077 on plant and equipment at Meritton in the course of the year. This was paid out of current assets, yet working capital grew slightly in the year, from $868,080 to $868,785. Fixed assets after depreciation are shown at $1,474,403, compared with $1,446,624, a year ago, despite the additions and improvement to plant.

Current assets are up from $1,085,481 to $1,184,550. Current liabilities are up from $227,401 to $315,765. Outstanding first mortgage bonds were reduced in the year by $26,500 to $573,500.

Investment in the factory at Stockport, England, now stands at $134,228, compared with $190,745 a year ago.

Following is the profit and loss account for the last three years:

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1928	1927
Profits	$304,272	$186,894
Less: Income tax	43,912	.....
	$260,360	$186,894
Pref. dividends	43,750	33,541
Surplus for year	$216,610	$153,353
Prev. surplus	798,208	644,855
Total surplus	$1,014,818	$798,208

Bill to Enlarge Scope of Fraternal Societies

If a bill recently read the second time in the House of Commons is given effect, fraternal societies will enjoy the same rights held by ordinary insurance companies in being permitted to issue endowment policies for a period of twenty years or longer. The maximum policy to be issued by such societies will also be increased to $10,000, under certain conditions.

The act will also be qualified by the amendment with respect to those companies specializing in marine insurance. The bill was introduced by Hon. J. A. Robb, Minister of Finance.

BRAZILIAN WARRANTS MAILED TO HOLDERS

Subscribers Have Several Options in Making Payments

Subscription warrants and fractional warrants this week have been forwarded to registered shareholders of Brazilian Traction in accordance with the allotment of rights to purchase new shares in the company on the basis of one new common share of no-par value for each seven shares held as at Feb. 15, 1929.

Rights expire at 5 p.m. on April 2. Warrants must be lodged prior to that time with National Trust, Toronto or Montreal, or with the Canadian Bank of Commerce, Lloyds Bank or Bank of Scotland in London, Eng.

Shares paid in full with subscription rank for dividend from March 1, providing owner remits 17 cents per share with subscription to cover accrued dividend from March 1 to April 2.

Shareholders may pay in instalments, $10 on subscription, $10 on June 1, $10 on September 3, and $9.30 on December 2. The deduction in the last payment is in lieu of five per cent interest on the previous instalments. If balance is paid when second installment is due, shares will rank for dividend from June 1. If fourth installment is paid with third installment, shares rank for dividend from September 1.

SUCCESSION DUTY CHANGE PROPOSED

Bill to Amend Act Now Before Ontario House

There is before the Ontario Legislature a bill providing for an amendment to the Succession Duty Act, which will change section 3 of the 1928 Act which deals with the prohibition of transfer of property before payment of duty. Under the amendment, this section shall not apply to a preferred beneficiary as defined by the Insurance Act where the total amount of insurance paid to such beneficiary does not exceed $10,000.

It is also provided by the amendment that the insurance company making the payment must not do so until the expiration of ten days from the mailing of the notice of payment to the Treasurer of Ontario and no objection has been taken by the treasurer.

Another section of the amendment provides for changes in wording of subsection 1 of the Act to clarify it.

Trail Ore Receipts

The Consolidated Mining and Smelting Company of Canada, Ltd., reports ore receipts at Trail Smelter from 8th Feb. to 14th Feb., 1929, inclusive, and from 1st Jan., 1929, to date, in tons, as follows:

	Week	Date
Company's Mines	7,468	56,548
Other Mines	867	3,873
	8,355	60,421

CLYDE & SISSIBOO PULP COMPANY LIMITED

Notice to Holders of First Mortgage Twenty Year Six and One-Half Per Cent Sinking Fund Gold Bonds

A tentative offer has been made for the purchase of bonds of the above Company conditional upon a block of at least 51 per cent of the outstanding bonds being offered. Bondholders are requested to communicate with The Royal Trust Company at Toronto, Montreal or Halifax to obtain further details in this regard as soon as possible.

Dated this 28th day of February, 1929.

THE ROYAL TRUST COMPANY,
Trustee for the Bondholders.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend (No. 2) of 1¾% upon the outstanding Preference Shares of the Company has been declared, the said dividend to be payable on or after the first day of April, A.D. 1929, to Shareholders of record at the close of business on the 15th day of March, 1929.

NOTICE is also given that a quarterly dividend (No. 21 of Twenty-five cents (25c) per share on the No Par Value Common Shares of the Company issued and outstanding has been declared payable on and after the 31st day of March, A.D. 1929, to Shareholders of record at the close of business on the 15th day of March, 1929.

By Order of the Board.

J. G. WALFORD, Secretary-Treasurer.
Calgary, Alberta, February 22nd, 1929.

THE ONTARIO LOAN and DEBENTURE CO.

167th DIVIDEND

Notice is hereby given that a Quarterly Dividend of 3 per cent for the current Quarter ending 31st March, 1929 (being at the rate of 12 per cent per annum), has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd April, 1929, to Shareholders of record of the 15th March, 1929.

By Order of the Board,

T. H. MAIN, Manager.
London, Canada, 26th Feb., 1929.

B.C. to Show Deficit of More Than $2,000,000

Budget speech of Hon. W. C. Shelley, minister of finance of British Columbia forecast borrowings of $20,000,000, of which $9,500,000 will be mainly used in essential highway and bridge construction. The remaining and separate loan measure will be for $3,000,000 as the first repayment contribution to trust funds.

In analysing the public debt of the province, the minister pointed out that the funded debt was, at November 1, 1928, $77,233,062, and the temporary borrowings, $8,368,069, making a total gross debt, without the P. G. E., of $85,601,131. In addition, the guaranteed stock of the P. G. E. amounted to $20,160,000, making a total debt of $105,761,131.

As against this revenue-producing debt amounted to $3,687,807, while direct obligation sinking fund totalled $16,759,332, leaving the net funded and temporary debt at $84,231,345.

Revenues for the current year to March 31 were estimated at $24,209,817 and expenditures at $26,602,257, making a total deficit of $2,392,439.

Revenues for the year 1929-30 are estimated from all sources at $25,287,851, while total expenditures are expected to be $25,280,729, leaving a balance of $7,122.

Immigration Increases

Immigration to Canada during the month of January amounted to 4,164, an increase of 13 per cent over January a year ago. British immigration for the month increased from 771 to 1,133; immigration from the United States rose from 1,233 to 1,573, and from other countries it decreased from 1,698 to 1,458. January also saw 1,767 expatriated Canadians return to Canada for permanent domicile. For the ten months of the fiscal year ending with January, immigration amounted to 148,277 as compared with 132,620 for the corresponding period of the previous year, or an increase of 12 per cent. Of these, 83,141 were classified as belonging to the farming class and 14,575 as domestic servants.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th March, 1929, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 2nd day of April, 1929, to shareholders of record of the 20th March, 1929.

By Order of the Board,

C. A. BOGERT,
General Manager.

27th February, 1929.

DIVIDEND NOTICE

Durant Motors of Canada Limited

Dividend No. 5

The Directors of this Company having declared a dividend at the rate of 40 cents per share per annum on the outstanding Capital Stock payable Half-yearly, NOTICE IS HEREBY GIVEN that the next dividend will be paid April 1st, 1929, to the Shareholders on record at the close of business March 9th, 1929.

H. F. HERBERMANN, Secretary.

Dated at Toronto, Canada,
March 1st, 1929.

Transfer Office, Chartered Trust and Executor Company, 34 King Street West.

STANFORD'S LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 25 Cents a Share for the three months ending February 28th, 1929, has been declared on the Common Shares of the Company, and will be payable on and after the 15th day of March, 1929, to the Shareholders of record at the close of business on the 28th day of February, 1929.

By order of the Board.

J. G. RENAUD,
Secretary-Treasurer.

Montreal, February 22, 1929.

BATHURST POWER & PAPER COMPANY, LIMITED

Notice is hereby given that a Dividend of Twenty-five cents (25c.) has been declared on the Class "A" Common Stock of no par value of this Company, payable March 15th, 1929, to shareholders of record at the close of business February 28th, 1929.

H. J. WEBB,
Treasurer.

Montreal, February 22nd, 1929.

Woods Manufacturing Company, Limited

Preferred Stock Dividend Notice

The regular quarterly Dividend of One and three-quarters (1¾%) per cent. on the Preferred Stock of Woods Manufacturing Company, Limited, for the quarter ending March 31st, 1929, has been declared payable April 1st, 1929, to shareholders of record March 25th, 1929.

By order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, February 12th, 1929.

DIVIDEND NOTICE

Those who purchase The Financial Post Yearbook of Canadian Business, 1929, now will collect dividends every day of the year. This amazing collection of Canadian business data will answer questions for you all through 1929. Price $2. Order your copy to-day from The Financial Post.

Debentures For Sale

Sealed tenders will be received by the undersigned until noon of Monday, the 4th day of March, 1929, for debentures to the amount of $17,552.09 that the Council of the Town of Hawkesbury have to sell. These debentures are for the purpose of redeeming debentures according to to the special Act of 1923 and they are payable in equal annual payments of principal and interest due 1930 to 1948 and bearing 5% interest payable annually.

J. O. BERTRAND,
Clerk-Treasurer,
P. O. Box 310,
Hawkesbury, Ont.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of Canada)

PAYMENT OF DIVIDENDS

Notice is hereby given that the Board of Directors have declared the following final dividends in respect of the year ended 31st December, 1928, on the Capital Stock of the Company, payable on the 1st March, 1929, to all Shareholders of record at the close of business on the 22nd February, 1929:

1. A dividend at the rate of one per cent. (1%), (i.e., fifty cents per share) on the issued Ordinary Capital Stock.

2. An additional dividend of one per cent. (1%) on the 7 per cent. non-cumulative participating Preference Stock (corresponding with the dividend of one per cent. (1%) on the Ordinary Capital Stock) in accordance with their participating rights.

Dated at Toronto, Canada, February 14th, 1929.

R. H. MERRY,
Secretary.

NOTE: The transfer agents of the company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C. 2.

SUCCESSFUL SALESMAN SEEKS CONNECTION

Young newspaper writer and organizer of proven capabilities and sales record, desires association with responsible mining establishment or broker. Address: Advertiser, 54 Indian Road, Toronto 3.

Catelli Macaroni Products Corporation Limited

Dividend Notice No. 2

Notice is hereby given that a dividend of Fifty Cents (50 cents) per share has been declared on the $2 Participating Convertible Class "A" Preference Stock of the Corporation, for the quarter beginning December 1st, 1928, payable March 4th, 1929, to Shareholders of record at February 28th, 1929.

By order of the Board.

L. E. POTVIN,
Secretary.

DEBENTURES FOR SALE

TOWN OF NEW TORONTO

TENDERS FOR DEBENTURES

Sealed tenders addressed to the undersigned will be received up to 3 p.m., Monday, March 4th, for the following blocks of debentures, all bearing five per cent interest with coupons attached, and all being payable in equal annual instalments of principal and interest:—

Pavements and Water Mains—$60,850.00, 15 years.
Library Building — $15,300.00, 20 years.
Sidewalks—$17,059.00, 10 years.
Sanitary Plumbing — $16,000.00, 5 years.

The highest or any tender not necessarily accepted.

W. B. CURTIS,
Treasurer.

Feb. 25, 1929.

Debentures for Sale

Sealed tenders addressed to the undersigned at the City Hall, Windsor, Ontario, will be received up until noon on Thursday, 7th day of March, 1929, for $1,000,000 worth of bonds of the Windsor, Essex and Lake Shore Electric Railway Association. Bids shall be submitted on a 5½%, 5¾% and 6% basis. No tender necessarily accepted.

M. E. BRIAN,
Secretary.

February 25, 1929.

EXECUTIVE

Civil Engineer, prominent in the Three Rivers district, would consider a better position.

Box M. 221
The Financial Post,
Southam Building, Montreal

QUEBEC POWER COMPANY

Notice of Redemption

To the holders of the Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock of Quebec Power Company.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from Quebec Power Company to National Trust Company, Limited, Trustee, dated October 25th, 1923, and Supplemental Trust Deed dated December 21st, 1923, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock (which would, according to their terms, mature and become payable on October 1st, 1953) on the first day of April, 1929, at one hundred and seven and one-half per cent. (107½%) of the principal amount thereof, together with accrued interest on such principal amount to the said first day of April, 1929.

The said Bonds will be so redeemed at the principal office of the Royal Bank of Canada in the Cities of Montreal or Toronto, Canada, or at the principal office of the Bank of the Manhattan Company in the City of New York, in the Borough of Manhattan, State of New York, and bondholders are required to present their bonds with all unmatured coupons pertaining thereto for redemption at one of the said offices on the said date.

The said Stock will be so redeemed at the principal office of the Royal Bank of Canada in London, England, and holders of the said Stock are required to present their Stock certificates for redemption at the said office on the said date.

In case such Bonds and Stock are not so presented for redemption on the first day of April, 1929, all interest on said Bonds and Stock will cease from and after the said date.

DATED at the City of Quebec, this 1st day of December, 1928.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Bonds may surrender the same at any of the offices where such Bonds are payable as aforementioned, and holders of the said Stock may surrender their Stock Certificates at the office where such Stock is payable as aforementioned, at any time on and after January 1st, 1929, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and seven and one-half per cent. (107½%) with interest accrued on such Bonds or Stock to the date of surrender thereof.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson,
Secretary.

Notice to Debenture Holders of the Toronto Conservatory of Music

In accordance with the terms of By-law "A" creating the issue of twenty-year 5 per cent. Debentures of the Toronto Conservatory of Music, notice is hereby given that Ten Thousand Dollars ($10,000.00) Debentures have been drawn by lot pursuant to the terms of the said By-law "A" for redemption upon the first day of March, 1929, at the price of 103 and accrued interest. The Debentures so drawn are numbered as follows: M002, M041, M062, M063, M088, M110, M148, M154, M166 M212. The holders of the said Debentures are hereby notified to present the same for redemption at the chief office of the Canadian Bank of Commerce, Toronto, on or before the first day of March, 1929. Debentures drawn for redemption shall cease to bear interest after the first day of March, 1929.

Dated at Toronto this 30th day of January, 1929.

The Toronto Conservatory of Music,
By John R. Cruickshank,
Secretary-Treasurer.

THE UPPER CANADA INVESTMENT TRUST LIMITED

Initial Dividend

Notice is hereby given that a dividend of 1¾% on the Preferred stock of this Trust has been declared for the quarter ending March 1st, 1929, payable on that date to shareholders of record on February 15th, 1929.

By order of the Board.

(Signed) J. J. DUBEY,
Secretary-Treasurer.

Canada Cement Company Limited

Preference Shareholders
Dividend No. 5

Notice is hereby given that a dividend of 1¾% for the three months ending February 28th, 1929, being at the rate of 6½% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 30th day of March next to Preference Shareholders of record at the close of business February 28th, 1929.

H. L. DOBLE,
Secretary.

Montreal, February 18th, 1929.

MELCHERS DISTILLERIES LIMITED

Dividend Notice No. 1

Notice is hereby given that a dividend of Fifty Cents (50 cents) per share has been declared on the Class "A" shares (no par value) payable March 15th, 1929, to Shareholders of record at March 1st, 1929.

By order of the Board.

F. W. ROFFEY,
Secretary.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1929.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1929.

The above Dividends are payable on Monday, the 1st day of April, 1929, to Shareholders of Record at the close of business Friday, the 15th day of March, 1929.

By order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 21st February, 1929.

BELGO-CANADIAN PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1929, being at the rate of 7% per annum, on the paid-up Preferred Stock of this Company, has been declared and that same will be paid on the first day of April, 1929, to shareholders of record at the close of business March 1st, 1929.

By order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, February 22nd, 1929.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1929, being at the rate of 7% per annum, on the paid-up Preferred Stock of this Corporation, has been declared and that same will be paid on the first day of April, 1929, to shareholders of record at the close of business March 15th, 1929.

By order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, [illegible] 1929.

SELL DEBENTURES AND STOCK ISSUE FOR MARINE BLDG.

G. A. Stimson & Co., Out With Another Grand Scheme

Debentures of a new development company, which will among other things own the "Marine Building," Vancouver, are being offered to shareholders of Commerce and Transportation Building, Toronto, in exchange for their buildings. Exchange is optional with the holder.

The Marine building is booked by its sponsors to cost about $1,500,000, including the site, which the company purchased, according to its president, from James Richardson for $300,000. A company has been formed to own the building, while G. A. Stimson and Co. are to handle the issue.

Three varieties of stock are offered to the public, two of which are classed by the issuers as "First" and "Second-charge Debentures." There is also common stock of $1 par value. The new company is called Stimson's Canadian Development Co., Ltd.

Two Debenture Issues

Several new features have been incorporated into the stocks. The company is capitalized at $6,000,000 which is divided into a million shares common and $2,500,000 each in first and second charge debentures.

The first charge debentures, of which $500,000 is now being offered to the public, are to pay 7 per cent. These debentures may be purchased for any term of years over three. Another provision is that in case of death of the registered holder of the debenture before the principal becomes due, it is automatically payable.

The second charge-debentures, paying 6 per cent, are refundable at any time at 30 days notice. The idea of the Stimson's Canadian Development company is to keep a reserve fund of perhaps $200,000 to cover any refunds demanded.

Common As Well

Of the common stock, the investor is allowed to purchase this security if he puts in an order for 7 per cent debentures. Then he is allowed to buy 200 shares of common at $1 for each $1,000 in debentures. The only common which will be issued at present is 100,000 shares, presumably in addition to $105,010 shares already issued.

When the building was first projected, G. A. Stimson and Co. bought the land, paying $5,000 down on the first payment of $50,000 to bind the bargain until a title-search could be made. Then the development company was formed. The directors of the parent company transferred their purchase agreement to the new company and received 5,000 shares of stock for the payment made. Then these same directors, according to President F. G. Johnston of Stimson and Co., subscribed $100,010 for 100,010 shares of common stock, the money being paid into the Bank of Toronto to the account of the development corporation. The rest of the first payment on the property, amounting to $45,000 was then paid.

Stimson's Control

With the 100,000 to be issued to the public and already 100,100 shares already subscribed the directors of Stimson and Co. have control. The debentures, if the present issues are all sold, will provide $1,000,000 and the common stock to be issued and issued will add $205,010 to this. According to Mr. Johnston, the company does not contemplate putting a mortgage on the unfinished property to provide funds for its completion, but will sell more debentures. When the fund for demanded return of debentures is excepted, this will leave slightly more than $1,000,000 of which $300,000 is already earmarked as the price of the land. In that case, $500,000 more will have to be raised from debentures for the building, and there will have to be the aforementioned provision for returns of cash to the debenture holders who are unsatisfied with their purchase.

Salesmen of G. A. Stimson & Co., Ltd., are offering to exchange Commerce and Transportation Building stock for the 7 per cent security of the Marine Building. Mr. Johnston explained this by saying that there was a demand for the C. & T. stock which his company could only supply this way.

Circulars offering the issue are very indefinite as to what securities will be outstanding by the time the Marine Building is erected. In this respect the issue is like the financing of Commerce and Transportation Building, Toronto, which was re-capitalized while the building was in course of erection. Circulars are equally indefinite as to further projects that may be undertaken by "Stimson's Canadian Development Company."

Extend Montreal Harbor

The east end of the Harbor of Montreal will be much altered and improved before the 1930 season of navigation, under a loan of $10,000,000 recently sanctioned at Ottawa. There will be, among other things, three new piers—the largest in the harbor.

ARLAC
Dry Stencils

are especially good for the reproduction of stylus work in charts, diagrams and drawings. Typewritten copy is clear and definite.

Because you'll get better results with Arlac Dry Stencils we'll send you one — free.

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New Partners in Toronto Brokerage House

HERBERT A. TELFER — FRANK J. PHELAN — FRED H. LYTLE

admitted to partnership in Stewart, McNair & Co., stock brokers, Toronto.

National Steel to Split Stocks Signs Indicate

From Our Own Correspondent

MONTREAL.—Current strength in the stock of the National Steel Car Company is taken as an indication that an announcement will be made shortly to the effect that the company will split its outstanding common shares on the basis of two new shares for one old, and that the new stock will be put on a $2 dividend paying basis.

The market strength of the stock is also due in part to the expected early publication of the annual report. This will show a marked improvement over the previous statement and that it will confirm the many rumors regarding the company's improved position.

Along with other railway rolling stock equipment companies, National Steel Car during the past few months has secured a large volume of business from both the Canadian National and Canadian Pacific Railways. Various estimates have been made as to the value of these contracts, the figures running up to $18,000,000 and even higher. It is likely that the annual statement will give some definite idea as to the amount of business which the company has on its books.

Investigate Iron Ores

The Ontario Government is about to investigate the possibilities of the extensive iron-ore deposits along the north shore of Lake Superior, and to this end has retained O. W. Ellis, one of the foremost metallurgists in the United States. The Ontario Research Foundation has the matter in hand.

Nation's Commerce

Activities of Canadian Chambers of Commerce from Coast to Coast

From Our Own Correspondent

MONTREAL. — The Associated Boards of Trade of the Prince Edward Island are urging the Canadian National Railways to build a tourists hotel. A deputation visited Montreal recently in this connection.

The opening of the local airport at Saint John, N.B., is a source of much gratification to the local Board of Trade which has sponsored the project.

The Board of Trade at Fredericton, N.B., is making an intensive study of Canada's commercial relations with the West Indies.

The financial section of the Winnipeg Board of Trade is planning the formation of a Better Business Bureau for Winnipeg.

The Canadian Chamber of Commerce is in receipt of many replies to the questionnaire it sent out to Boards and Chambers in Canada regarding their activities. One of the significant findings in this survey is that virtually all the Boards and Chambers provide for specified activities in their program, such as agricultural, civic, commercial and industrial. Civic activities predominate while industrial, commercial and agricultural follow in the order named. Although a large minority interest themselves in provincial affairs, hardly any programs embrace national, empire or international considerations.

The Fourth Annual Convention of the Canadian Chamber of Commerce will be held at Edmonton and Calgary on September 11, 12 and 13, 1929. Preceding the convention, there is being arranged a special five days tour of the Peace river district under the patronage of the Alberta government. Following the convention the Chambers finally will visit the Southern Canadian Rockies, the Arrowhead lakes and the Kootenay district, including Trail and Kimberley. Jasper Park is included in the pre-convention itinerary.

The membership of the Toronto Board of Trade is composed of over 2,700 business men, giving the Board the largest membership of any similar organization in the British Empire.

It is reported that the City Council of Sarnia will, after the necessary legal procedure, take out membership in the local Chamber of Commerce on a similar plan to that applicable to industries, which is based on the number of persons employed.

B. H. PORTEOUS & CO.
Stock and Bond Brokers
Members MONTREAL STOCK EXCHANGE / MONTREAL CURB MARKET
465 St. John Street - Montreal, Que.

Business Conditions in United States

The volume of trade during the week ended February 16, as indicated by cheque payments, was smaller than in the previous week but greater than in the same period of 1928, according to the weekly statement of the Department of Commerce. Industrial activity, as reflected by operations in steel plants, was greater than during either the preceding week or the same week of last year. Employment in Detroit factories, reflecting activity in the automobile industry, was greater than in either prior period. The output of bituminous coal during the latest reported week showed a gain over both the previous week and the same week of 1928. Lumber output showed a gain over the previous week but declined from a year ago. The output of crude petroleum showed gains over both periods. Freight-car loadings, covering the latest week, showed a gain over a year ago.

The general index of wholesale prices showed a gain over both the preceding week and the corresponding period of last year. Prices for copper averaged higher than in either period. Cotton prices were likewise higher than in either the previous week or the same week of last year. Iron and steel prices, showing no change from the preceding week, were higher than a year ago. Loans and discounts of Federal reserve member banks showed contraction as compared with the preceding week but were higher than a year ago. Interest rates on both time and call funds were higher than in either the preceding week or the same period of last year. Bond prices averaged lower than in either prior period. Prices for stocks declined from the previous week but were higher than a year ago.

Weekly Business Conditions
Average 1923-25=100

	1929 Feb. 9	1928 Feb. 11
Steel operations	113.2	111.0
Bituminous-coal production	124.1	100.(
Lumber production	81.8	104.5
Petroleum production (da. av.)	129.3	113.3
Detroit employment	133.2	103.8
Freight car loadings	....	94.5
Bldg. contracts 37 states (daily average)	79.8	117.3
Wheat receipts	81.8	71.1
Cotton receipts	80.0	64.6
Cattle receipts	63.3	76.6
Hog receipts	113.4	124.7
Price No. 2 wheat	90.7	100.0
Price cotton middling	73.9	68.0
Price iron and steel, composite	87.6	86.0
Copper, electrolytic, price	129.0	100.7
Fisher's index (1926=100)	97.1	97.0
Check payments	145.7	118.0
Bank loans and discounts	130.1	121.3
Interest rates, call money	163.6	112.1
Business failures	135.1	134.2
Stock prices	250.4	183.5
Bond prices	106.9	110.9
Interest rates, time money	171.4	102.9
Federal reserve ratio	89.4	95.6

COMMERCIAL LIFE SHOWING IS GOOD

Annual Report Gives 1928 Business in Force at $10,000,000

The annual report of the Commercial Life Assurance Company shows insurance in force of over $10,000,000, an increase of $1,000,000 over the figures for the previous year. Assets now total over $1,024,000, having increased 33.44 per cent during the year.

Premium income for the year totalled more than $316,000 and interest income of $52,000 and other income of $6,000 brought the total up to $376,000. Payment of claims was $42,772 in 1928. Interest rate for 1928 was slightly lower than that of the previous year. This year the rate was 7.56 per cent as against 7.7 in 1927. Policy reserves were increased almost $200,000.

The following table gives comparative figures:

	1928	1927
Business in force	$10,058,498	$9,044,361
Assets	1,024,117	767,490
Policy reserves	863,803	672,091
Premium income	$16,771	279,056
Interest income	52,394	40,102
Total income	$76,193	$23,747
Interest rate	7.56%	7.7%

Odd Lots

present the same bargain features to the shrewd investor as "remnants" do to the thrifty housewife.

We have some attractive odd lots in bonds after the New Year reinvestment demand. If you are interested, we should be glad to send you particulars.

McLEOD, YOUNG, WEIR & Co.
Limited
Head Office: Metropolitan Bldg., Toronto
Branch Offices at: Montreal, Hamilton, London, Ottawa, Winnipeg and New York

An Opportunity
---share in the growth of Canada

We will shortly present to investors some very interesting facts concerning an investment as sound as Canadian Industry in general, and presenting unusual profit possibilities.

Large and small investors alike should have full particulars about this opportunity to share in the growth of Canada . . . on this exceptionally sound basis.

FLOOD, BARNES & CO.
Limited
INVESTMENT BANKERS
Montreal

An Appreciation of Four Million Dollars

As of February 26th, 1929 — less than four weeks after the public offering of its shares — the investments of Petroleum Corporation of America, as specified in the descriptive circular, showed a net appreciation of over four million dollars.

This is equivalent to more than $1 per share on the outstanding stock of this Investment Trust.

Circulars sent to interested inquirers on request.

BELL, GOUINLOCK & CO.
67 YONGE ST. ✓ ELGIN 3336
TORONTO

Canadian International Investment Trust, Limited

DIVERSITY AND SAFETY — As the Trust may invest in a diversified list of both domestic and foreign securities and must at all times maintain at least 50% of its paid up share and loan capital in investments legal for insurance companies in Canada, diversification and a high margin of safety are provided.

EFFICIENT MANAGEMENT — The Trust will be managed by an executive committee chosen from its board of directors, the latter being representative of Canadian finance and industry from Halifax to Vancouver.

We offer this stock in units comprising one share of preferred stock, three shares of common stock and an option warrant entitling the holder of the preferred share to purchase two additional shares of common stock at $11 per share on or before March 1st, 1931, or thereafter at $12 per share on or before March 1st, 1933, at—

Price on Application

Descriptive circular on request.

W. C. Pitfield & Company
ROYAL BANK BUILDING, MONTREAL
TORONTO QUEBEC OTTAWA

47 Years of Uninterrupted Growth

"Canada's Oldest Trust Company" offers you an experienced, sympathetic and progressive management.

Record Development in 1928

STRENGTH

1. During 1928, $500,000 of additional stock was issued and sold bringing the fully paid Capital to $2,500,000.

2. This new stock sold at a premium of $500,000, which was placed to the Reserve. The Reserve now amounts to $3,100,000.

With Capital and Reserve of $5,600,000, the Corporation is in an exceptionally strong position.

3. New business assumed during the year amounted to over $30,000,000 and the net increase in assets to $12,000,000. Total assets—$181,800,000.

ORGANIZATION

1. In accordance with the policy of the Corporation to establish Branch Offices in the strategic centres of Canada an Office was opened in Regina.

The Corporation now has six Branches.

2. Head Office has been greatly enlarged and remodelled so that it now affords 85% more floor space and the most up-to-date facilities for the transaction of all Trust Company business.

3. A Savings Department will be established at Head Office and all Branches, for the convenience of clients and the general public.

SERVICES

1. The Corporation offers every trust company service to individuals and corporations—Executor or Trustee under Wills, management of Real Estate, investment of funds, stock transfer Agent, Trustee for bond issues, etc.—but does no underwriting or real estate promotion.

2. This concentration on trust Company work, through forty-seven years of successful operation, during which it has handled estates of every kind, enables the Corporation to place at the service of all clients, the advantages of an experienced, sympathetic and progressive management.

1928 saw Canada enter upon an era of expansion to which—so leaders in industry and finance say—our previous growth has been no more than an introduction. The progress made by Trust Companies in 1928 was remarkable and testifies to the public recognition of the value of their services. In the new era they will play a still more important part in the effective conservation of estates.

1882 THE OLD PILOT 1929

A consultation with our officers will place you under no obligation

"Canada's Oldest Trust Company" is fully equipped and trained to march with events. In turning to it to assist you in planning the distribution of your estate, or to act for you in any capacity, you are assured of experienced advice and tested capability.

The TORONTO GENERAL TRUSTS CORPORATION
"Canada's Oldest Trust Company"—Established 1882

HON. N. W. ROWELL, K.C., LL.D. — President
W. G. WATSON — General Manager

TORONTO MONTREAL OTTAWA WINNIPEG REGINA SASKATOON VANCOUVER

A.R.

Insurance for Buyer and Seller

METROPOLITAN CO. IS NEAR BILLION IN CANADA ALONE

Wrote $212,055,277 New Business in Dominion in 1928

The fiscal report for the year 1928 of the Metropolitan Life Insurance Company shows business in force in Canada of $858,500,000 which was $89,400,000 in excess of 1927 figures. The total of new business written in Canada during the year was $212,055,277, as against $194,948,664 for the previous year. The total for 1928 was divided as follows:

	1928	1927
Ordinary	106,603,787	91,544,576
Industrial	79,523,942	76,417,689
Group	25,927,548	26,986,399

Has $171,000,000 Invested Here

The Metropolitan's investments in Canada now total $171,318,170 as aaginst $153,194,442 in 1927, a gain of over $18,000,000. The number of policyholders has also increased from 2,467,977 in 1927 to 2,613,867 this year. On the basis of Canada's present population, this works out to a policy for every third man, woman or child in the Dominion.

Payments to policyholders for the year amounted to $12,940,046. The 1927 figures was $11,560,367. Nursing visits in Canada amounted to 313,075, was an average of 1,100 per day for each working day of the year. The total visits in the United States and Canada were more than 3,500,000. The following table gives the division of business in force:

Ordinary	$447,016,323
Industrial	352,634,050
Group	58,885,761
Total	$858,536,134

Dominion Fire Has Good 1928 Report

The year 1928, in point of business handled, was one of the best in the history of the Dominion Fire Insurance Company, according to the report presented at the recent annual meeting of the company. Net profits from underwriting were over $44,000 and interest earnings amounted to slightly less than $27,000, bringing the total profits to about $71,000.

Of this amount, some $53,000 was transferred to the surplus account, $17,965 being necessary for dividend at 6 per cent and 1 per cent bonus requirements. The loss ratio was also lower than had been anticipated, being 28.8 per cent as against 32.7 per cent in 1927. Expense ratio was also cut to 47.7 per cent from 51 per cent the previous year. This year's ratio was the lowest since 1925. The shareholders' surplus account now stands at $214,825 and according to an anouncement made at the meeting by Lieut.-Col. Robert F. Massie, president, higher dividends will not be paid until this account reaches the total of stock issued, which is $291,279. Col. Massie also announced that as authority had been obtained during the past year, it was likely that an issue of non-voting stock would be made during 1929.

Life Insurance Sales in Canada*

	1924	1925	1926	1927	1928	1929
January	$30,673,000	$30,838,000	$33,907,000	$36,986,000	$47,569,000	$50,575,000
February	30,704,000	28,698,000	34,744,000	35,525,000	39,962,000	.....
March	34,383,000	35,001,000	40,483,000	42,883,000	44,823,000	.....
April	32,603,000	35,872,000	37,346,000	41,631,000	46,718,000	.....
May	33,368,000	34,377,000	37,703,000	44,553,000	49,581,000	.....
June	34,295,000	42,307,000	44,634,000	45,298,000	51,844,000	.....
July	33,205,000	37,671,000	40,101,000	39,964,000	49,492,000	.....
August	27,983,000	31,724,000	36,016,000	38,360,000	43,503,000	.....
September	30,029,000	33,543,000	34,878,000	35,000,000	38,872,000	.....
October	32,483,000	36,259,000	40,226,000	48,104,000	55,743,000	.....
November	34,357,000	36,760,000	44,251,000	44,935,000	54,865,000	.....
December	37,120,000	41,822,000	46,777,000	48,899,000	56,647,000	.....
Total, 1928						$579,619,000
Total, 1927						$502,438,000
Increase 6%						$77,181,000

* Companies having in force 84 per cent of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

LIFE INSURANCE SALES INCREASED

January This Year Six Per Cent Better Than in 1928

Ordinary life insurance purchased in Canada during the month of January amounted to over $50,000,000, which is unusually large and represents an increase of six per cent. over sales in January, 1928. The figures represent the experience of companies having 84 per cent. of the total legal reserve ordinary life insurance outstanding in Canada. The increase is shown by 60 per cent. of the contributing companies.

Manitoba and New Brunswick are the only provinces which do not show a gain. Alberta, Ontario and Quebec, which together pay for more than half of the insurance sold in the Dominion, all record material gains. Alberta leads all provinces with an increase of 30 per cent. Newfoundland, for which figures are also reported, shows a gain of 54 per cent.

The record for the year ending January 31, 1929, shows an increase of 14 per cent over the preceding 12-month period. Every province shows an increase during the past twelve months. Albera shows a jump of 27 per cent, while Saskatchewan has gained 20 per cent. The only city which failed to show increased production in January was Winnipeg. The city of Hamilton recorded the unusual increase of 76 per cent, with Ottawa a close second showing 69 per cent gain.

Acquires Regina Business

The firm of Solloway Mills & Co., which is extending its chain of offices across Canada, has lately acquired the brokerage department of Drope & Hosie Ltd., Regina. No change will be made in the management, it is stated.

Insurance Problems

Insurance questions of general interest submitted by subscribers of *The Financial Post* will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

National Protective Ins.

Can you give me any information about the National Protective Insurance Association of Kansas City, Mo.? This company has been highly recommended to me and I would like your opinion of it before taking out a policy.

Upon enquiry at the Insurance Department of the Ontario Government, we found that this company is not licensed to do business in Canada.

In June, 1928, R. Leighton Foster, Ontario Superintendent of Insurance, issued a circular against unlicensed companies which were using the mails to sell insurance. The National Protective Insurance Association was specifically mentioned in this circular which warned Canadians against giving business to these companies.

WAWANESA BUSINESS IS $18,000,000 HIGHER

Western Company Reports Two Bad Periods Last Year

The annual report of the directors of the Wawanesa Mutual Insurance Company, presented at the recent meeting, showed income of $436,353 from assessments and $170,452 for cash business. Losses of $320,000 were 50 per cent in excess of the 1927 figure. The gain in insurance in force was $18,000,000, bringing the total to $152,000,000.

Rent and interest brought in over $44,400. Operating expenses amounted to $201,100. The assets of the company were increased by almost $200,000 which brought the total up to $2,677,700. Cash assets were materially increased.

The losses occurred in two clearly defined periods, one in May and the second during the harvest. The earlier period was attributed to carelessly started fires during the spring clean-up and the other to poorly guarded fires in stubble, particularly following the use of a combine.

The company's cash business is now 22½ per cent of its total business.

COURT RECOGNIZES MUTUAL INSURANCE

Oregon Supreme Court Renders Decision for Northwestern Fire

The Northwestern Mutual Fire Insurance Association of Seattle, which does business in Canada, has recently had a decision on its case before the Supreme Court of Oregon, authorizing the company to write a non-assessable fire insurance policy.

According to G. C. Cash, branch manager for Toronto, the company carried the insurance placed by the school board of Multnomah County, Oregon, and N. P. Johnston, a citizen, applied for and obtained an injunction restraining the school board from placing insurance with the company on the ground that there was no such thing as a non-assessable policy.

In rendering judgment, the justice trying the case declared that under Oregon law there was no such thing as a non-assessable policy and the Northwestern was not entitled to write one anyway. The company appealed and won.

Insurance Inklings

The Insurance Institute of Toronto heard G. J. HOLMES, F.A.S., A.I.A., assistant actuary of the Manufacturers' Life, speak on actuarial departments last week.

O. B. SHORTLY, C.L.U., of Toronto, was guest-speaker at a luncheon recently held by the Life Underwriters' Association of Hamilton. Mr. Shortly spoke on co-operation and salesmanship, with particular reference to life insurance.

R. G. McCUISH has been elected vice-president of the Life Underwriters' Association of Canada. Mr. McCuish, formerly a resident of Regina, is now living in Vancouver.

ALLAN J. McCRADY and THOMAS M. WATSON have been appointed inspectors for the Eastern division of the North American Life. They will have headquarters in Brockville.

E. O. DISHER, Ridgeway; J. B. GALLINGER and NATHAN DAY were re-elected to the board of the Bertie and Willoughby Farmers' Mutual Fire Insurance Company at the annual meeting. Mr. Disher was chosen president again.

L. J. ROBB has been appointed superintendent of western agencies for the Excelsior Life. He will have charge of the company's activities in Manitoba, Saskatchewan, Alberta and British Columbia. His headquarters will be at Regina.

The bill to incorporate the WAWANESA MUTUAL INSURANCE CO., sponsored in the House of Commons last week by J. T. Thorson, of Winnipeg, received its second reading and was referred to the select standing committee on banking and commerce last week. The parties are the same as those forming a company now operating under a provincial charter in Manitoba.

The Ontario Equitable Life and Accident announces the appointment of H. O. WRIGHT as superintendent for Saskatchewan and Alberta. He will make Saskatchewan his headquarters.

Approximately 200 life underwriters from Winnipeg and Brandon heard DR. C. J. ROCKWELL, Pittsburgh authority on life insurance education, deliver a three-day course of lectures at the educational congress held in Winnipeg recently.

The Commercial Travellers' Mutual Insurance Society, at the annual meeting last week, elected its officers. S. M. STERLING was chosen president; J. HARRY DODGSON, J.P., vice-president; and S. R. WICKETT, treasurer.

LUCIEN J. LAHAIE, formerly assistant manager of the Drummond Building, Montreal, branch of the Manufacturers' Life, is now in charge of the recently-opened branch in the Confederation Building.

At a meeting of the Southern Saskatchewan agents of the Excelsior Life held in Regina, GEORGE DICKSON addressed the agents on succession duties as applied to estates in Saskatchewan. Mr. Dickson is an official of the provincial succession duties department.

W. H. MALKIN, Mayor of Vancouver and prominent wholesaler, was recently elected to the board of the Dominion Life Assurance Company.

ARTHUR F. WHITE, who is a director of Confederation Life, has been added to the board of the Tri-Continental Corporation of New York.

JAMES STEWART, director of the Bank of Montreal, president of the Maple Leaf Milling Co., Stewart Terminals, Ltd., and Stewart & Cameron, contractors, has accepted seats on the boards of directors of the British America and the Western Assurance Companies of Toronto.

GEORGE A. DOBBIE, of Galt, was elected vice-president of the Dominion Life to fill the vacancy left by the election to the presidency of Ford S. Kumpf. Mr. Kumpf was chosen when President Thomas Hilliard announced his retirement at the annual meeting of the company.

The Northwestern Mutual Fire, which has its Canadian headquarters in Hamilton and branches in Toronto and Ottawa, had a net premium income from the Dominion of $1,062,640 in 1928. The total assets of the company amount to $4,398,035, of which $1,006,726 is a cash surplus.

LUMBER EXPORTS SHOW GOOD GAIN

January Total May be Sign of Better Conditions in Industry

From Our Own Correspondent

MONTREAL. — Evidently Canadian lumber manufacturers are competing with better success in the foreign markets, judging by the exports of lumber during the month of January when shipments totalled in value $4,221,135. This compares with $3,864,484 in January a year ago. While the increase is not large, yet it is indicative of better conditions in the export market.

Planks and boards, both of Douglas fir and pine, show a substantial increase in shipments, while hemlock and spruce are slightly less than those of last year.

Shingles in Demand

There is comparatively little difference in the volume and value of the other export items except wood shingles, which show an increase in value from $227,986 in January, 1928, to $265,013 in January, 1929.

The principal export market for Canadian lumber is still in the United States. The United Kingdom which, until a year or two ago had been a very heavy importer of Canadian lumber, particularly from British Columbia, is still limiting its imports. Of the exports during January last, well over 70 per cent went to the United States.

Earnings of Converters Reported Satisfactory

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Converters for the current fiscal year which ends April 30, 1929, will probably show an increase over those of the previous year. The various products of the company met with a good reception in the western provinces last fall, and delivery of these orders should be reflected in the earnings of the present year.

Converters' profits, on the whole, vary little from year to year. The company is in an enviable manufacturing position. It is able to obtain a good price when purchasing its material, as it buys in large quantities from the textile manufacturers. If these companies cannot offer a satisfactory price, Converters can turn to foreign markets for its requirements.

Its output, generally speaking, is free from changes, as it makes many standard lines of cotton goods, which do not respond to the vagaries of fashion. Profits for the year ended April 30, 1928, were $162,869. This amount was the equivalent of $7.13 a share on the common stock outstanding.

The company has no preferred stock or funded debt; the common shares represent the sole charge against the property. A dividend of 7 per cent has been paid regularly on the common stock since 1920.

Hamilton Bridge Reflects Strength of Affiliations

From Our Own Correspondent

MONTREAL.—Hamilton Bridge stock continues to hold up well in an uneasy market. This is due partly to increased earnings and partly to the strength which the interests in control have now attained in the field of structural steef work. Closely identified with Hamilton Bridge are Sarnia Bridge, Canadian Vickers, and the Western Structural Steel and Bridge Company recently formed in Vancouver. The interests behind these steel companies have now a chain of plants stretching across Canada, whose strength is second only to Dominion Bridge.

There has been no mention of any merger of these companies up to the present, but it is easily seen that a consolidation might well be considered eventually.

Though the structural steel industry is enjoying an unprecedented era of prosperity, the expansion in the building trades will probably slacken. When the slump comes, the smaller steel companies will feel the brunt of greater competition. By a merger, these individual companies would be better able to withstand any lean times that may set in.

Coast Shipping Grows

Deep sea arrivals at the Port of Vancouver in January were 135, as compared with 125 in January, 1928, the increase in net tonnage being approximately 13,000 and the total 469,169. The largest increase was of ships to the Orient of which there was an increase of 14.

Tourist Revenue Gains $35,000,000 Last Year

Well Over $200,000,000 Estimated as Spent by Visitors in 1928 — Records Show Entry of 3,645,455 Tourist Automobiles, Increase of 500,000

From Our Own Correspondent

MONTREAL. — Tourist automobiles to the number of 3,645,455, as compared with 3,153,800 in the preceding year, entered Canada during 1928 from the United States.

Actually the number of automobiles which entered Canada last year was just more than fifteen times as great as ten years ago, the number in 1919 being 237,963.. The rapid development of the tourist traffic in the last three years is shown by a gain of over 1,500,000 in the number of cars visiting Canada annually.

The total figures naturally include a great many automobiles which cross the border point in the thickly populated areas of the east for a stay of less than twenty-four hours. In this particular the figures show a gain of more than 288,000 cars last year as compared with 1927.

Now Stay Longer

What is of much greater importance is that the official statistics show a gain of 203,000 in the number of automobiles carrying parties into Canada for a period of from twenty-four hours to six months. This is the greatest increase on record.

Last year the number of tourist automobiles entering Canada on permits for more than twenty-four hours was 936,718, a total of 20 per cent above the figure for 1927. The increased flow of tourists into Canada was not confined to any one province but was distributed over all the principal highways in the Dominion.

Quebec's Gain Largest

While the totals for entries by provinces does not, of course indicate how many tourists spent their vacations in the province where the international boundary was crossed, it is interesting to note that Quebec had the largest proportional increase, the number of visiting cars for more than 24 hours entering a customs point in that province increasing from 190,916 in 1927 to 271,962 in 1928, a gain of 42 per cent. Numerically the greatest gain was in Ontario from 415,434 to 508,828, or an increase of 22 per cent. The heavy stream of vacationists entering Canada on the Pacific coast is shown by a total of 109,673 cars entering at British Columbia points in 1928, for stays of over one day and up to six months, this figure representing a gain of 18 per cent., while in the Prairie Provinces, an increase of 18 per cent was also recorded with a total of 23,933.

The increasing popularity of the recreational attractions in Prince Edward Island, Nova Scotia and New Brunswick is measured by an increase of 33 per cent. in the number of cars which entered at New Brunswick's border point in 1928 for stays of only 24 hours. In addition to 30,717 automobiles which entered the Maritimes in that way, it is interesting to note the large increase in the number of automobiles entering Nova Scotia by steamer. That the ocean going motorist is a big factor in Nova Scotia tourist travel is to be seen by entry of 1,507 automobiles at Yarmouth in 1928, as compared with 963 in 1927.

Revenue Show Gains

In advance of the official computation for the value of tourist traffic to Canada in 1928 the figures would seem to indicate an increase of probably $35,000,000 reported tourist travel alone over the $161,418,000 reported in the Dominion Bureau of Statistics estimated for 1927, which makes the total estimated expenditure in that year by tourists entering Canada via ocean ports and from the United States by automobiles, rail and steamer at $242,754,000.

GREAT WEST SADDLES EXPANDING BUSINESS

Progress in Prairie Provinces and Peace River District Widens Scope

With Western Canada entering upon what will probably be the greatest period of expansion it has yet experienced, the Great West Saddlery Company is believed to be in a position to still further strengthen its hold upon its particular lines of business in that section of the Dominion. Already the largest manufacturer of harness in the world, it has, during the past few years, added so extensively to its line of merchandise as to be regarded as one of the leading supply houses West of the Great Lakes.

About 55 per cent of the company's business is done in lines of harness, saddlery, etc. As thorough investigation has definitely shown that the horse population of the Prairie provinces is increasing with the opening up of new areas, the company may confidently expect expanding business from harness and saddlery lines. During the current fiscal year which ends June 30 next, satisfactory business has been secured, and the expectation is that earnings will prove greater than in the previous year.

Trade from Peace River

Net earnings for the year ending June 30, 1928, after making allowance for full operating charges, maintenance, depreciation and $51,000 for present bond interest, but before taxes and non-recurring charges, amounted to $25.77 on the preferred stock and $4.01 on the common stock after allowing for first and second preference dividends. Total assets at the same date aggregated $3,538,469, and after deducting $833,126 in current liabilities, there remained net tangible assets amounting to $2,705,342. After making provision for the $850,000 first mortgage bonds, net tangible assets amounted to $1,855,342, or $206.15 for each share of the first preference stock, and after making provision for $1,100,000 preference stock outstanding amounted to $755,342, or $18.88 per share of common stock.

The principal manufacturing plants and warehouses are located at Winnipeg, with additional warehouses at Calgary, Edmonton and Regina, these affording the company means of quickly supplying dealer's requirements in all sections of the West. Expansion in operations has resulted in increasing the number of customers from about 5,000 in 1924 to about 8,500 in 1928, with practically a proportionate increase in sales to over $3,700,000 for the year ending June 30, 1928.

The company's customers are mainly general stores scattered throughout the prairie provinces. The opening up of the Peace River district is already beginning to be reflected in substantially larger sales through the Edmonton branch, and the further development and settlement of the area mentioned alone should ensure an increase in business from that city.

Société Prêts Placements Shows Increased Reserves

From Our Own Correspondent

MONTREAL.—Société de Prêts et Placements de Quebec shows gross revenues of $105,351 in its annual report covering the year 1928. From this figure there was deducted in interest, taxes and general expenses $31,319; and $59,526 in dividends and bonuses. After a further deduction of $15,000 for reserves, the balance in profit and loss account amounted to $4,070 as against $4,307 a year ago. The balance sheet shows total assets $1,494,314, of which $1,449,447 has been invested in mortgage bonds. In the liabilities capital account is carried at $700,000 and reserves at $515,000—up from $450,000 a year ago.

Asbestos Corp. Dividend Likely to be Passed

From Our Own Correspondent

MONTREAL.—The preferred shares of Asbestos Corporation reflect the uncertainty with which the public regards the payment of the preferred dividend in the coming quarter. ... in all probability Asbestos Corporation is not earning its dividend at the present time, ...

Asbestos has run out of the bad luck which dogged it last year, and the outlook for the corporation is materially improved. The new mill at the mines has come into operation, and production from this source should aid earnings substantially.

There is no fundamental trouble confronting Asbestos; there is hardly likely to be a recurrence of the difficulties which beset it during the past year. The present year should witness a considerable improvement in operations and earnings.

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The Research Council of Canada, and the Banting Foundation and other institutions are being similarly aided in their studies of tuberculosis, cancer, etc.

The Sun Life Company is concerned with more than mortality tables or with payments to policyholders and their beneficiaries. It is vitally and practically concerned in the public welfare.

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Current Events in Banking World

CANADIAN BANKING LOSES A CHAMPION AS MEREDITH DIES

Chairman of Bank of Montreal Was Good Banker

With the death of Sir Vincent Meredith, Bart., chairman of the board of the Bank of Montreal, the Canadian banking world loses one of its most outstanding figures and one who has been connected with finance in the Dominion for sixty-two years. He was born in London, Ontario, and died within a week of his 79th birthday.

In 1867, at the age of 17, he entered the Bank of Montreal as a junior, and lived over the bank office in Hamilton. His first important position was that of accountant of the Montreal branch. He held this post only a short while, however, being soon made assistant inspector and then inspector.

Travelled Around World

After travelling from coast to coast as an inspector, young Meredith, for such he still was, was appointed manager of the Montreal branch. At the age of 53 he became assistant general manager and eight years later was made general manager.

His work as general manager took him around the world, for he made visits to all the branches of the bank. Two years after becoming general manager, he took over the presidency of the bank.

At the end of 1927 he gave up the presidency to become chairman of the board of directors and his place as president was taken by Sir Charles Gordon.

Prominent Family

Sir Vincent came from a very distinguished family, his father being principal of McGill University. Seven of the family have been in "Who's Who."

On September 15, 1916, on the occasion of the departure from Canada of H.R.H. the Duke of Connaught, Vincent Meredith was created a baronet. In June, 1927, he received the degree of D.C.L. from the University of Bishop's College, Lennoxville.

W. C. Pitfield Forms House to Handle Brokerage Business

From Our Own Correspondent

MONTREAL. — Announcement is made of the formation by W. C. Pitfield of the brokerage firm of Pitfield Scott & Company, the other partners of which are Norman M. Scott and G. H. Cook. The new firm, which has its head office in the Royal Bank Building, Montreal, has membership on the Montreal Stock Exchange and the Montreal Curb Market and will do a general stock brokerage business. Branch offices connected by direct private wires are being opened simultaneously at Toronto, Ottawa and Quebec, under the management of Kingsley Jarvis, A. S. Torrey and R. M. Twedell, respectively.

Alberta's Dairy Value High

Alberta's dairy products for 1928 exceeded in value $20,000,000, which represented 8.3 per cent of total agricultural production, according to Dr. C. P. Marker, dairy commissioner. There was a marked improvement in the grade of cream supplied by producers and in the quality of creamery produced, he declared.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Feb. 24, 1928	Feb. 22.1929
St. John	$ 2,614,276	$ 2,471,713
Halifax	3,049,803	3,308,714
Moncton	799,440	953,931
Sherbrooke	786,422	1,100,665
Quebec	4,393,881	7,443,814
Montreal	136,557,603	137,363,368
Ottawa	6,552,673	9,724,431
Kingston	702,993	790,067
Peterboro	837,521	899,806
Toronto	141,015,216	151,811,541
Hamilton	5,408,980	7,299,280
Brantford	1,393,953	1,527,391
London	2,846,414	3,160,419
Kitchener	1,268,363	1,192,828
Windsor	4,938,778	5,563,076
Sarnia	550,106	730,595
Chatham	686,664	757,241
Western Cities	**Feb. 24, 1928**	**Feb. 22.1929**
Fort William	$ 833,987	$ 883,426
Winnipeg	44,339,146	43,075,844
Brandon	309,026	404,113
Regina	3,212,125	4,376,236
Saskatoon	1,862,962	2,169,125
Prince Albert	370,033	452,972
Moose Jaw	1,112,827	1,211,247
Calgary	12,325,676	9,713,904
Edmonton	5,301,205	5,797,323
Lethbridge	608,125	542,498
New Westminster	672,883	721,526
Vancouver	21,539,831	23,007,157
Victoria	1,885,749	2,613,009
Medicine Hat	1,885,...	434,078

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Maritime Province Investments

Government Municipal Corporation Bonds

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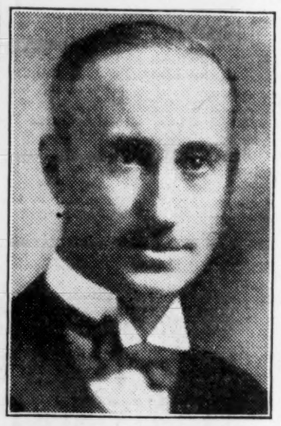

W. H. McEWEN, K.C., of Regina, who has been elected a director of Sterling Trusts Corporation. Mr. McEwen is the senior member of the law firm of Martin, McEwen, Martin & Hill, of Regina.

BIG BANK MERGER PROPOSED IN U.S.; PLANS UNDER WAY

Great Combine of Two New York Banks With Assets of $2,000,000,000

Plans are in progress for the formation of the largest bank in the United States, which if it comes about, will have resources of more than $2,000,000,000. This total tops the combined resources of Canada's two largest institutions by nearly $200,000,000. With the addition of the assets of the third Canadian bank, however, the new organization's resources are not within $500,000,000 of the total. It is $1,082,000,000 larger than the resources total of the largest Canadian bank.

A despatch from New York last week stated that a virtual agreement to the merger had been reached after an all-day session of directors, officers and majority-shareholders of the Guaranty Trust and the National Bank of Commerce, the institutions forming the combine.

In the point of resources, the Guaranty-Commerce merger might easily produce the largest institution in the banking world. Barclay's Bank, the largest of the big five British banks, has resources of $1,093,000,000. The new bank will outrank the National City in resources by $150,000,000 and the Chase National by nearly $160,000,000.

Actual announcement of the merger and details of the exchange of shares are expected in the near future. The merger, which will bring about a new alignment in banking power in New York, is far more important than the mere size of it indicates. It may precipitate keen contest for leadership in the banking world.

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EXCHANGE LOWER TO CONTROL FLOW OF FUNDS TO U.S.

New York Paper Says Gold Transfer Is Manipulated

The recent drop in Canadian exchange on the New York money market, which went to 5-8 of 1 per cent last week, is blamed by a New York financial paper on manipulations of the gold flow from Canada.

The article states that experienced exchange observers in the United States declare this to be an effort on the part of the Canadian authorities to check the flow of funds to New York, which has attained large proportions. A discount as high as that quoted last week will effectively stop such a movement, for even high money rates there will not make up for an exchange of 5-8 per cent.

The New York paper states that the reason for this is because that when a United States bank wants Canadian gold, it must obtain it through a Canadian bank, which in turn gets its supply from the Royal Mint in the form of bars. When Canadian opinion is adverse to the transfer of gold, the American bank cannot get it and the exchange falls as a result.

Mentioning that Canada maintains a theoretically free gold market, the paper goes on to say that theory and practice are often at variance and that the Canadian banks, when they dislike the way things are going, cut off the supply of gold.

The article continues: "By checking the natural flow of gold to New York exchange on Montreal may easily be brought to the discount it reached Tuesday. This is what happened. During the last two weeks the Federal Reserve Bank has reported only $1,000,000 gold from Canada, while exchange has justified the shipment of $25,000,000 Canadian dollars went through their 1928 low on Tuesday last, to the bottom level in about eight years. The discount on Montreal funds, which attained 7-16 of one per cent, fell like a plummet to 5-8 of one per cent."

Mr. Robb's Statement

Hon. James A. Robb, minister of finance, was asked by Hon. R. B. Bennett, Conservative leader, at the opening of the house of commons last Friday afternoon for some information with respect to the situation of Canadian funds in New York. The minister made the following brief statement in regard to the matter:

"Speculation, coupled with high interest rates which have prevailed in New York for some considerable time, has no doubt attracted Canadian money to that market, but there is nothing in the present situation to cause undue worry. The adverse rate against Canada on yesterday's exchange was decreased by 7-32 under the rate of 19-32 of the previous day.

"The banks are co-operating with the government in limiting as far as possible, gold shipments to the requirements of industrial and commercial business only rather than for speculation purposes."

Bank Chat

At the recent convention of Maritime and Newfoundland managers of the Bank of Commerce held in Halifax, E. E. HENDERSON, inspector for the district, was tendered a farewell banquet on the occasion of his leaving to take over the inspectorship for Manitoba.

D. C. PATTERSON, manager of the Bank of Montreal at Prince Rupert, has been transferred to Trail, to take over management of the branch there.

WELLINGTON DUNLOP, who for the past five years has been on the staff of the Pembroke branch of the Bank of Montreal, has taken up his duties at Cornwall. On the eve of his departure from Pembroke, he was made the recipient of a handsome pair of gold cuff-links presented by the Cobden Hockey Club.

The Canadian Broadcasting Commission, under the chairmanship of SIR JOHN AIRD, president of the Bank of Commerce, is now touring Europe, having completed their investigations in England.

ELLSWORTH ROGERSON, of the staff of the Royal Bank at Summerside, P.E.I., has been transferred to the Toronto office.

W. C. FOX, a member of the staff of the Bank of Nova Scotia, North Bay branch, left recently to take up his duties in Havana, Cuba, where he has been transfered.

Wedding bells will ring in May for MISS LAURILLA BAILLARGEON, New Bedford, Mass., concert artiste, and P. HENRI SABOURIN, assistant manager of the Paris Branch of the Royal Bank. Miss Baillargeon sailed recently from New Bedford for France. Mr. Sabourin was formerly chief inspector of the Royal in Montreal.

F. H. deMONTMORENCY has arrived in Kamloops, B.C., from Olds, Alta., to take over the duties of GEORGE M. HARMAN as accountant of the Bank of Commerce there.

R. O. G. BENNETT, who is now assistant manager of the Bank of Montreal at Edmonton, has been appointed a member of the northern development committee of the Edmonton Chamber of Commerce. Mr. Bennett was for some years manager at Grande Prairie and is well-informed on northern conditions.

A. I. McINTYRE, at present teller-accountant, Banff, Alta., has been appointed paying teller, Montreal.

C. T. H. WALKER, formerly paying teller, Vancouver, B.C., is at present attached to Banff, staff as teller-accountant.

H. E. BEMROSE, formerly accountant, King and Market, Toronto, has been appointed accountant, Yonge and Bloor, Toronto.

W. P. BROWN, recently attached to head office staff, has been appointed accountant, King and Market, Toronto.

E. T. CUTTLE, formerly accountant in-charge, Denholm, Sask., has been appointed manager, Englehart, Ontario.

J. VEREKER, formerly accountant, Moose Jaw, has been appointed accountant-in-charge, Denholm, Sask.

J. H. NELSON, formerly accountant, Portage la Prairie, has been appointed accountant at Moose Jaw.

R. H. LITTLE, formerly paying teller, Winnipeg, has been appointed accountant, Portage la Prairie.

T. M. SUTTON, formerly accountant, Yonge and Bloor, Toronto, has been appointed manager, Oakwood and Rogers Road, Toronto.

K. G. MIGHT, manager, Oakwood and Rogers Road, Toronto, has been appointed manager, Bloor and Bathurst, Toronto, vice I. C. WEDD, who has been transferred to head office.

E. S. HOUSTON, who has been manager of the Imperial Bank of Canada at Ottawa, Ontario, since June, 1909, died on February 20, at his home in Ottawa. The late Mr. Houston was in his fifty-fourth year and joined the staff in March, 1892 at Niagara Falls as a junior, subsequently appointed manager in January, 1909 remaining there until June, 1909 when he was transferred to Ottawa as manager.

The Imperial Bank of Canada has announced a number of staff changes. They are as follows:

C. W. GRIME, formerly accountant, Fergus, has been appointed manager, Stamford, Ontario.

N. H. G. WRAY, formerly accountant, Aurora, has been appointed accountant, Fergus, Ontario.

J. A. GROSKURTH, formerly accountant, Harrow, has been appointed accountant, Aurora, Ontario.

THOMAS CLARK, for the past few years manager of the Royal Bank at Newcastle, N.B., has been appointed to the head office at Montreal.

The EASTERN BANK OF CANADA, which will soon be open for business in Saint John, N.B., has already placed an order for five and ten dollar notes. The bank is to serve the Maritime Provinces.

The premises in Saint John which were occupied by the Standard Bank of Canada before its amalgamation with the Bank of Commerce, have been leased by the new bank and will be opened some time in May for business.

Damage to the extent of $100,000 was done to the BANK OF MONTREAL building in Hamilton in the early morning one day last week. The caretaker and his wife were the only persons in the building at the time and both escaped without injury.

L. B. DeVEBBER, manager of the Bank of Montreal at Nelson, B.C., has retired from the service.

Consume Much Butter

The people of Canada are the largest consumers of butter in the world, according to the Canadian Government Information Bureau. The per capita consumption has been put down at 27 pounds yearly, approximately 10 pounds per head more than the people of the United States, which ranks second.

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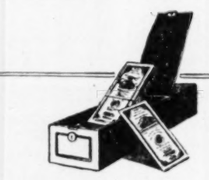

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Toronto, Canada

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that the following gentlemen have been admitted to partnership in the firm:

MR. FRANK J. PHELAN

MR. HERBERT A. TELFER

MR. FRED. H. LYTLE

as of the first of January, nineteen twenty-nine

Provincial Paper Limited

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T. A. WELDON, Vice-President
W. S. BARBER, Secretary and Treasurer

Directors:
S. F. DUNCAN — ALEX FASKEN
T. A. WELDON — R. S. WALDIE
A. L. FULLERTON — A. F. WHITE
E. R. WOOD

Stock Transfer Agents:
ROYAL TRUST COMPANY
Toronto and Montreal

Bankers:
THE CANADIAN BANK OF COMMERCE
Toronto

BALANCE SHEET
December 31st, 1928

ASSETS:		
Property and Plant:		
Real Estate, Buildings, Equipment, etc.		$ 8,692,019.00
Current Assets:		
Cash on hand and in Banks	$ 243,588.92	
Bills Receivable	51,127.22	
Accounts Receivable, Less Reserve for Doubtful Accounts	776,727.31	
Inventories:—Paper, Stock, Supplies, Prepaid Charges and Pulpwood including Advances on 1929 Operations	1,496,795.11	2,568,238.56
Other Assets:		
Government Deposit on Timber Limits	$ 39,658.02	
Investments	547,296.23	586,954.25
		$11,847,211.81

In our opinion the above Balance Sheet and relative Income Account have been properly drawn up so as to exhibit the financial position of PROVINCIAL PAPER LIMITED, as at 31st December, 1928, and the results of operations for the year ended at that date, according to the information and explanation given to us and as shown by the books of the Company. All of our requirements as Auditors have been complied with.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Toronto, February 1st, 1929.

LIABILITIES:		
Capital Stock:		
Preferred — Authorized and Issued, 35,000 Shares of $100.00 each Par Value		$ 3,500,000.00
Common — Authorized and Issued, 100,000 Shares of No Par Value		100,000.00
Mortgage Debt:		
Bonds, — 20 Year, 5½%, Due 1947, Authorized, $10,000,000.00, Issued		5,300,000.00
Current Liabilities:		
Accounts Payable, Accrued Charges and Reserve for Income Tax payable 1929	$464,901.16	
Dividends payable January 2nd, 1929, Preferred, 1¾%, Regular	61,250.00	526,151.16
Other Liabilities:		
Reserve for Depreciation of Plant and Buildings		750,000.00
General Reserve		1,484,285.63
Surplus December 31st, 1928		186,775.02
		$11,847,211.81

INCOME ACCOUNT
For Year Ended December 31st, 1928

Surplus, December 31st, 1927		$ 72,927.57
Manufacturing Profit for Year	$1,138,330.59	
Sundry Revenue	1,899.35	
		$1,140,229.94
		$1,213,157.51
Less Interest on Bonds, Bank Loans, etc.		286,382.49
		$ 926,775.02
Less Reserve for Depreciation of Buildings and Plant	$450,000.00	
Added to Reserve for Doubtful Accounts	10,000.00	
Added to Reserve for Income Tax Payable in 1929	35,000.00	
		$ 495,000.00
		$ 431,775.02
Dividend on Preferred Stock, Regular 7%		245,000.00
Surplus December 31st, 1928		$ 186,775.02

Audited and Verified:
(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Toronto, February 1st, 1929.

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DOMINION STORES BROADENS SCOPE OF OPERATIONS

Thirty-One New Stores Opened During Past Year

Dominion Stores, in the fiscal year ending December 31, 1928, indicated continued progress, gross sales and earnings, both being increased, and the liquid position being further strengthened. The chairman of the board, W. J. Pentland, in the report of the directors submitted at the annual meeting, stated that no great problem confronts the company at the present time and that the management looks forward to continued improvement throughout the current year.

Net earnings for the year amounted to $598,819 as compared with $531,145 in the previous year, this sum equal, before payment of taxes, to $6.60 per share on the 90,750 shares outstanding as against $6.43 on 82,500 shares in 1927. After adding to the net earnings $824,067, the balance brought forward from the preceding year, there was available for distribution the sum of $1,422,887. Dividends consumed $266,062 and Federal taxes for 1927 $42,829, leaving a surplus for the period of $308,891. The balance carried to the new account was $1,113,995, indicating an increase in the year of $289,927, but this sum is subject to income taxes for 1928.

Increases Number of Stores

The company raised the number of its stores operating to 541, an increase in the twelve months of 31 as compared with an increase in the previous year of 37. Mr. Pentland, in his report, emphasizes the fact that the management at the outset of 1928 set out to enlarge the volume of sales in stores already established rather than to broaden the scope of operations by the opening of new stores. With this object in view several of the stores were equipped with new and larger departments, with very gratifying results. This process will be followed as fast as possible, consistent with careful consideration of the stores to be so equipped.

In 1928 the volume of sales was over twenty-three and a quarter million dollars, exceeding the volume for 1927 by almost four millions. Some idea of the progress made by the company in this regard since its inception is seen by the following statement of the volume of sales for the past eight successive years:

1921	$ 3,461,153.30
1922	5,059,308.88
1923	7,663,652.23
1924	10,348,233.21
1925	12,616,588.23
1926	15,256,877.82
1927	19,280,715.96
1928	23,257,507.62

Has No Bank Loans

The financial position of the company is sound, as is indicated by the figures in the balance sheet. Nothing is owed to the banks, and executives in consequence have been in a position to take advantage of all discounts. Cash on hand amounted to $539,682 and there were $166,000 out in the form of call loans. Accounts receivable and prepaid on merchandise were $88,553 and $2,275,735 were carried in merchandise inventories. Net working capital for the first time in the experience of the company was above the two million mark at $2,031,735, an improvement of over $300,000 during the twelve months. Capital assets amounted to $1,319,250, and good will was carried on the books at $252,066.

The ratio of current assets to liabilities was almost 3 to 1. Current liabilities were set forth at $1,038,236, the greater part of which was in $970,173 bills and accounts payable. The sum of $309,098 was applied as reserve for depreciation.

Discussing the operations of the company in 1928, Mr. Pentland says in part:

"We purposely set out during the year 1928 to increase our volume of sales in the stores already operating, rather than to add many new stores, and we have been successful in obtaining a very satisfactory increase in our older stores, thereby securing many new customers and also adding considerable good will. In doing this we realized that our net percentage of profit would probably show a little decrease for the year, but we felt we were building solidly for the future. We are glad to say that we already see indications that we are achieving what we set out to achieve, as our profits for January of this year show much better than our profits for January last year, and the profit trend so far for February of this year is distinctly favorable. This, we feel, is very gratifying and justifies our policy for the present year, which is to undertake to increase still further the volume of business in our present stores by adding, wherever practicable, a new department for many lines of cooked meats and delicatessen products, as well as by extending the fruit departments in our stores. This will mean moving some of our stores into larger quarters at locations where more room is required to carry out these plans to best advantage.

"During the past year we have built and are now occupying substantial new additions to both our Toronto and our Montreal warehouses, and we should have sufficient warehousing room to provide for our warehousing problems for some time to come.

"Our three bakeries are all in full operation. We are steadily increasing our sales of bread and we are extending our cake business in a very satisfactory way. Our bakery operations are profitable and we feel they will contribute very materially to the profits to be obtained during the present year.

"At present there are no unduly large problems facing us. We have so far been able to meet very strong increased competition and have more than held their own. This we expect to be able to continue to do during the year upon which we have just entered. We will, of course, always keep in mind the fact that times change rapidly. The manner of doing business may change, the tastes of the buying public may change, but we know that we are in position to anticipate these changes and to adjust ourselves to them promptly. The future of Dominion Stores continues bright and our final figures for the year 1929 should show the same continuous improvement as has characterized the record of the company since its inception ten years ago."

Income and Surplus Account
Years Ending December 31

	1928	1927	1926
Net earnings ..	598,819	531,145	412,245
Less:			
Income tax ..	42,829	33,707	26,333
Opt. wr. down	.....	.....	500
	42,829	33,707	26,833
Net profits	55,990	497,438	385,412
Less Appropriations—			
Pfd. divs. "A"	.....	.....	16,297
Pfd. divs. 'B'	.....	.....	525
Com. divds. ..	266,062	189,000	177,000
Prem. on stock redeemed ..	.....	.....	91,335
	266,062	189,000	285,157
Surplus for year	289,928	308,438	100,255
Add prev. surp.	824,067	515,630	415,375
Bal. car. forw. ..	1,113,995	824,068	515,630

Dominion Stores Common Shares Are Increased

The shareholders of Dominion Stores, at the annual meeting held this week, gave approval to a by-law increasing the authorized capital stock of the company from 150,000 to 500,000 shares without par value, and offer 181,500 shares pro rata at a price of $5 per share has been made. Subscriptions will be received up to the close of business on March 15 next on a basis of one new share for each two shares previously held. Payment for any allotment is to be made in full on or before April 5th, 1929. The new shares will be eligible for the dividend which may be declared payable in the ordinary course of events on July 1, 1929.

The outstanding capital stock of the company, prior to this arrangement, was 90,750 shares without nominal or par value; these now will be increased to 272,250 shares. There is no prior stock or no bonded indebtedness.

Capital For Expansion

The increase in the capitalization is due to the desire of the directors to secure further capital to be employed in the expansion which has been planned for the ensuing year. There was also the wish on the part of the management that the shareholders should be given an opportunity to reap some further benefit other than the moderate dividends they now receive from the satisfactory profits of the company. It was consequently decided to make the new issue of treasury stock.

In arranging for the placing of the stock, the directors believed that it would be in the best interests of the shareholders and in line with modern practice to offer the new issue upon a basis that would result, not only in increasing the number of shares outstanding, but in giving the shareholders greater marketability for their stock. There was likewise a desire to facilitate the purchase of the company's stock by those who might wish to invest comparatively small sums, including hundreds of its own customers and employees, the aim to enlist the interest of these being particularly sought.

Previous Stock Offers

When the company was originally incorporated under Dominion charter in 1919, the capitalization consisted of $100,000 8 per cent "A" preferred stock, $250,000 7 per cent preferred "B" stock and 25,000 shares (subsequently increased) of no par value common stock. The preferred was convertible into common stock at a ratio of one to five, and in 1926 both the "A" and the "B" issues of this denomination was retired. Common shareholders were given the right to take up 13,500 shares at $20 in May, 1925, and another 10,000 shares were allotted at $10 a share in October of the same year. For the purpose of retiring the preferred in 1926, 15,000 shares of common stock were sold to the public. Finally there was an allotment in June, 1927, of 7,500 shares to stockholders at $40 a share.

Homesteads in Demand

From the point of view of new homesteads taken up, the year 1929 has got off to a good start. January saw 761 homesteads filed upon as compared with 457 for the same month last year—an increase, roughly, of two thirds

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STOCK DIVIDENDS TAXED IN CANADA BUT NOT IN U.S.

(Continued from page 6)

came operative. The railway company might have distributed its surplus earnings wholly in the form of cash dividends, instead of using a part of such funds for improvements on account of which stock dividends were declared. If the former course had been pursued, it would not be contended that the bequest of the forty-two shares should be treated as carrying with it such part of the proceeds of the cash dividends as the testatrix may not have expended in her lifetime. The fact that the dividends were declared partly in stock, instead of entirely in cash, does not affect the principle of the question now being determined," said the Maryland Court of Appeals in deciding against Y's contention.

In a New York case along the same line, X willed 30 shares of Standard Oil Company stock to Y, three years later X received stock in certain subsidiary companies which the Standard Oil Company distributed under a decree of the United States Supreme Court, a year later X died, and Y claimed the additional stock.

In deciding that Y was entitled to the 30 shares mentioned in the will, and no more, the New York Courts say:

"The case stands the same as if the Standard Oil Company had sold the shares, and distributed the proceeds. It is hardly denied that a voluntary dividend whether paid in money or in stock, would be separated from the primary shares."

The United States Supreme Court, in the case of Eisner vs. Macomber, reported in 252 U. S., 189, has decided that a stock dividend declared according to law and in good faith to cover profits earned since the adoption of the Income Tax Amendment could not be classed as income within the meaning of the law, on the ground that a stock dividend is not really a dividend, but merely a "book adjustment."

"The essential and controlling fact is that the stockholder has received nothing out of the company's assets for his separate use and benefit; on the contrary, every dollar of his original investment, together with whatever accretions and accumulations have resulted from employment of his money and that of the other stockholders in the business of the company, still remains the property of the company, and subject to business risks which may result in wiping out the entire investment. Having regard to the very truth of the matter, to substance, and not to form, he has received nothing that answers the definition of income within the meaning of the 16th Amendment," the court ruled.

In Canada the question has been settled by the Income Tax Act which provides that:

Sec. 2 (a). "'Dividends' shall include stock dividends."

Sec. 12. "Dividends or shareholders' bonuses shall be taxable income of the taxpayer in the year in which they are paid."

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SEVENTEENTH ANNUAL REPORT
OF
The Sterling Trusts Corporation

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WM. C. McBRIEN, *Manager Real Estate Department* — LORNE JOHNSON, *Manager Regina Branch*

BALANCE SHEET AS AT DECEMBER 31st, 1928

ASSETS

Capital

Book Value of Real Estate:		
Office Building, Regina	$ 105,000.00	
Real Estate held for sale	3,059.87	
	$ 108,059.87	
Office Furniture and Fixtures, etc., less Depreciation	3,067.90	
Safety Deposit Vaults	16,657.00	
Mortgages and Agreements Receivable (Net):		
Principal $504,984.87		
Interest, Due and Accrued 12,984.53	517,969.40	
Stocks and Bonds and Accrued Interest	33,236.61	
Advances to Estates, Trusts and Agency Account	93,615.75	
Fees, Commissions and Accounts Receivable	13,928.71	
Cash on Hand and in Bank	58,919.33	
	$ 845,454.57	

Guaranteed Trust

Mortgages:		
Principal $257,458.59		
Interest Accrued 4,132.65	$261,591.24	
Provincial and Municipal Bonds, at cost and Accrued Interest	$16,790.47	
Cash on Hand and in Banks	53,236.40	
		331,618.11

Estates, Trusts and Agency

Funds and Investments and Book Value of Assets held for Administration, Realization and Distribution	$8,731,555.28
Cash on Hand and in Banks	137,304.05
	$ 8,868,859.33
Total	$10,045,932.01

LIABILITIES

Capital

Capital Stock:	
Authorized, 20,000 shares of $100.00 each	$ 2,000,000.00
Issued—8,691 shares of $100.00 each, on which there has been paid	709,459.78
Reserve Fund	125,000.00
Accounts Payable	2,505.08
Deferred Profits Reserve	2,030.80
Reserve for Income War Tax, 1928 (Estimated)	3,888.79
Profit and Loss	3,570.12
	$ 845,454.57

Guaranteed Trust

Guaranteed Trust Certificates	$257,011.56
Interest Accrued on Guaranteed Trust Certificates	3,350.16
Deposits Bearing Interest	71,256.39
	331,618.11

Estates, Trusts and Agency

Amounts due to Estates, Trusts and Agencies, as per contra	8,868,859.33
Total	$10,045,932.01

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31st, 1928

Dividends paid to Shareholders	$ 46,259.78	Balance brought forward as at December 31, 1927	$ 9,311.75
Dominion, Provincial and Business Taxes	9,787.82	Add:	
Written off Office Premises	5,000.00	Net Profit for year after deducting Management Expenses, etc. $76,475.97	
Transfer to Reserve Fund	25,000.00	Premium on Capital Stock 2,630.00	79,105.97
Balance carried forward as at December 31, 1928	2,570.12		
Total	$ 88,617.72	Total	$ 88,617.72

AUDITORS' CERTIFICATE

We have examined the accounts of The Sterling Trusts Corporation maintained at Toronto and Regina for the year ended December 31, 1928, and have prepared therefrom the appended Capital and Guaranteed Trust Balance Sheets, which, in our opinion, are properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at December 31, 1928, according to the best of our information and the explanations given to us and as shown by the books of the Corporation. We have obtained all the information and explanations we required.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

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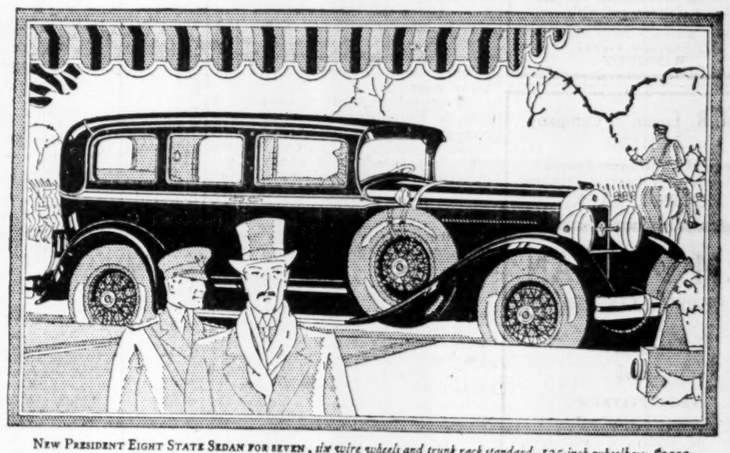

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SASK'N FARMERS SPLIT BY PROPOSAL FOR FORCED POOL

Political Uneasiness Results From Very Radical Proposal

POOLS ARE OPPOSED

Leaders of Big Grain Marketing Organization Do Not Want to See Compulsion Used

From Our Own Correspondent

REGINA.—A good deal of uneasiness has been created in Regina by the decision of the recent convention of the United Farmers of this province to institute a campaign for legislation to force all grain grown in the province to be marketed through the wheat pools. Both in government circles and around the offices of the Saskatchewan Wheat Pool the proposal is regarded as being charged with dynamite. The idea had been suggested several times, without anyone taking it very seriously until last summer, when a severe decline in wheat prices took place from which the market only began to recover since the first of this year. Enthusiastic wheat pool advocates had previously taken full credit for the fact that wheat prices were higher than in some former years and they were willing for the pool to accept complete responsibility for the wheat price level. When the price decline set in and they were asked to account for it the reply was given, "Oh, that is the non-pool wheat which drives prices down. If there were no non-pool wheat the price could be kept up." That was said so often, although usually from sources not connected with the pool offices, that many people began to believe it, and to agitate in consequence for legislation that would force every one to market grain through the pool.

Pool Sees Dangers

Wheat pool officials do not want such legislation. To many of them the proposal spells great danger to the pool. For one thing, it would entangle the pool inextricably in provincial politics. A government which forced farmers to use a certain marketing channel, would have to take the responsibility for the results achieved through that channel and the operation of the wheat pool might soon become a function of a government department. But that the proposal could actually be brought into effect few well informed people in wheat pool circles believe. What they fear most is the split in the ranks that is bound to develop as soon as there is any likelihood of the proposal being seriously considered, with probably a majority of their members bitterly resenting a proposal urgently pressed by a very active majority. Especially embarrassing is the position of the leader who is convinced that the idea is unsound, but who might put his official life in jeopardy if he came out and said so.

It is even more embarrassing for many members of the legislature and of the government, who must face their constituents this summer. Some members might gain some votes if they were to come out and pledge themselves to support legislation favoring compulsory pooling. Others would be ruined politically. Many of them have deep convictions which they would like to express, but cannot yet determine what the political consequences would be. And if wheat pool officials are fearful of the results of tangling up the pool and politics, the politicians are equally apprehensive. It would make the government's life depend, not upon the correctness of its programme, or the soundness of its administration, but upon the level of wheat prices, and on the extent to which pool elevators are operated to the satisfaction of farmers. A year like the last one, with many farmers grumbling over the grade given to their grain, might be fatal to the life of a government.

And if either pool or government are forced to yield to "left-wing" propaganda to the extent of endorsing such a scheme, where is it to stop? How resist the demand of the same "left-wingers" for a provincial or a pool bank, with some experiments in issuing paper money. The shades of the enterprises of Non-Partisan League of North Dakota, where disastrous results overtook the combination of farmers' business and farmers' politics rise up in warning.

Of course it must be understood that the Provincial Legislature really has no power to regulate export trade in grain, but no one bothers with that aspect of it now. Constitutional considerations weigh little with those who advocate compulsion in pooling, and they would be quite prepared to get the constitution amended. So no one can dodge the difficulty by appealing to the constitution.

From Saskatoon come reports of much enthusiasm around headquarters of the United Farmers of Canada, Saskatchewan Section, and word that a widespread and expensive campaign is being planned.

To compensate the Gardiner government for this political trouble is the fact that there is practically no danger of an organized farmers' political campaign, except perhaps in occasional constituencies. The minority in the recent United Farmers' convention who wanted to go into politics failed to carry their point, and in spite of their continued protests they have little chance of organizing effectively. Then, too, the troubles which the farmers' government in Manitoba is now experiencing tend to show that a farmers' party is not necessarily a better instrument of government than the old-time parties.

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NEWFOUNDLAND REGAINS LAND IN LABRADOR

(Continued from page 13)

northern countries. This struggle ended in a victory for Newfoundland, whose claim to the region was confirmed by the Judicial Committee of the Privy Council just two years back, one whose reasons for reaching this decision was that no evidence had been submitted to it of any administrative act having been performed there by Canada since it first flew the British flag, following the conquest of Quebec in 1759.

Follow's Labrador Award

On the 1st March, 1927, the Privy Council's decision was rendered, upholding Newfoundland's rights to the whole Atlantic watershed of the Labrador peninsula, which may be termed Terranovan Labrador, to distinguish it from the watershed that drains into the Gulf of St. Lawrence, West of Belle Isle Strait, and known as Canadian Labrador. By this decision a region of 110,000 sq. miles became undisputably Newfoundland's with all its natural resources. Following immediately thereon the Monroe Cabinet, then in power in Newfoundland, adopted an Order-in-Council notifying all parties interested in lands in this region that unless within two years they complied with the requirements of the Colony's "Crown Lands Act," their licenses would be cancelled and their areas put back into the public domain, a decision which spurred them to increased activity to rid themselves of these properties, which activity, as already remarked, is responsible for much of the publicity as to the sale of the territory itself.

The Monroe Cabinet further ensured the preservation of Eastern Labrador as a public heritage by enacting at the ensuing session of the Colonial Legislature a law providing that thereafter no alienation of any territory in this dependency could be effected except by the passage of a special statute, thus making impossible the transfer of any tracts there to private hands by any ministerial order or Departmental procedure. When one recalls the scandals attending such in other countries in the past, and more recently in connection with the oil lands in the United States, the wisdom of such a step hardly needs stressing.

Wholesale Grab of Timberland

About thirty years ago the far-seeing timber speculator first turned his eyes to the forests of Terranovan Labrador, and four years later some Canadians operating in Hamilton Inlet under a license from Newfoundland, were interdicted by Quebec, which stopped their work, seized the logs they had cut, and sued them in the provincial courts, claiming the territory as Quebec's and thus inaugurating the litigation which, 25 years later, ended with the Privy Council's award. But even later, despite this dispute, licenses for many more areas in Terranovan Labrador were secured by people within Newfoundland and outside, until for years the Crown lands map resembled Joseph's coat in the varied hues with which it was decorated in marking the different claims. Virtually the whole region was so colored and the same was true of Newfoundland itself, so that by 1910 the annual revenue of the Crown Lands Office had increased to $250,000 from but $50,000 only a few years before, while the late Sir Wm. MacGregor, governor about that time, estimated that, during his four years of office he had signed orders-in-council granting timber licenses equalling the area of Newfoundland and Labrador together.

Most of these licensees were merely speculators, who secured the areas with the sole object of being able to sell them to others at a profit, they paying the rentals meanwhile. It is a fact that in one paper-making project in Newfoundland in recent years the promoters had to pay two million, and in a second case, one million dollars, to speculators, mostly living outside the Colony, for forest areas necessary to ensure an adequate supply of pulpwood for the success of the ventures, these speculators having purchased the licenses from the original local holders and all this money being thus lost to the Colony and its people forever.

Speculation in Labrador

In Labrador this speculative element in the transactions was even more marked, because all the original licensees obtained their areas after the dispute with Canada began and with the full knowledge that they could not secure good titles to their respective areas. Indeed, after some years it was agreed between the two governments that no other licenses would be granted till the Privy Council rendered its judgment. Some licensees paid fees for one year, others for two or three, others for still longer periods, and a few are still paying. Not many tracts passed out of first hands, but where they did the new holders were faced with the same condition—they had to pay fees every year on areas the title of which was defective and could not be perfected until the dispute was terminated. On 30th June, 1925, the Monroe Ministry, after repeated notices to the licensees, cancelled eight licenses, varying in extent from 250 to 6,000 sq. miles, and totalling over 13,000 sq. miles, on which there were arrears of rentals reaching almost $330,000 altogether. One of these concerns actually paid some $750,000 in rentals during the early years of its holding but owed twice that sum when cut out; and threatened legal proceedings against the government, after the cancellation had been notified, charging bad faith by the government in granting the license and later revoking it, when the reason the holders had ceased paying the fees was that they could not sell the property because the title was defective. The government's answer was that they knew when they applied for the tract originally that a good title could not be given and they took the property with their eyes open. The same story, it may be added, is that of the other holders in this category, and the still larger number who had held other areas and suffered cancellation previously.

Cancel As of March 1

On July 1st, 1925, there then remained in private hands Labrador areas, ranging from 60 to 2,500 sq. miles in extent, totalling 11,342 sq. miles and yielding $22,648 annually or $2 per sq. mile. It is these that are marked for cancellation on March 1st, and as this is written the Crown Lands Office assumes that the cancellation will be carried into effect. In that case the whole of the surface of the dependency will pass back into the possession of the colony again, through some of these holders also talk of suing the government on the ground that they paid their licenses in good faith for many years—some of them paying $50,000 to $70,000—and that the two years' leeway granted them was not sufficient to enable them to perfect plans for working so remote and unknown a region. To this the government answers that they had two full years and that if they could not perfect their plans it was probably because they were asking too much for the properties. The reason for cancellation is that the holders have not erected mills on their areas, as required by law, but merely paid the fees and allowed the lands to stay unworked. The departmental letter notifying the parties of the government's decision sets out the position thus:

"The government decided that, inasmuch as it might reasonably be argued on the part of the licensees that the uncertain condition of the title to Labrador rendered it difficult for them to carry out this condition in their licenses, the government would refrain for two years from taking measures for the cancellation of their licenses on the ground of non-performance of this condition, this period of two years expiring on the 1st March, 1929."

Value of Lands is Great

Of the 110,000 sq. miles in Terranovan Labrador 60,000 are estimated to be wooded and half of this acreage to be covered with commercially usable timber. No very accurate prospecting, or "cruising" as it is termed, of this woodland has been generally undertaken but during the winter of 1927-28, a large American concern had two parties working there—one in Hamilton Inlet, midway of the east coast, and the other near the southern seaboard. The result is said to have been very satisfactory, but no details are given out. This "cruising" was done by arrangement with the holders of the areas covered, but does not mean that any right is thereby created, because no mills have been erected, and if cancellation comes no alienation of any area there can be effected afterwards except by an Act of the Legislature. The value of these 30,000—some authorities are inclined to say 40,000 in the light of recent information — square miles of forest country, is variously estimated. One of the Canadians engaged before the Privy Council, subsequently valued the lands at $250,000,000 and competent woodsmen here consider this figure not excessive. An idea is afforded by the change of ownership of Anticosti recently. This island, situated in the Gulf of St. Lawrence near Canadian Labrador, of which it once formed part, has an area of 3,300 sq. miles and a population of about 500. Granted in 1680 as a seigniory to Louis Joliet, the discoverer of the Mississippi, then a resident of Quebec, it passed through various hands until in 1896 it was acquired by the French chocolate king of that day, Henri Menier of Paris, who converted it into a summer home and game preserve, attempting as well to develop its forests, minerals and fisheries. After his death it went to his nephew, Senator Gaston Menier, who recently sold it to the Anticosti Corporation, a syndicate composed of three leading Canadian paper-making concerns, who propose using its forest wealth in their industry.

Not Selling Sovereignty

Anticosti illustrates very aptly the distinction between selling an area to foreigners as a mere piece of property and selling the sovereignty over it as well, which some people imagined would happen if Labrador was sold to United States interests. Except that it is a parcel of land surrounded by water, it differs in no way in the limitation of the rights acquired, from those which attach to other seigniories in the Gaspé peninsula, bought by American millionaires, or from islets owned by other American millionaires among the Thousand Islands in the Upper St. Lawrence River, which belong to Canada; or indeed, from a block of real estate in the centre of Montreal or Toronto.

Canada Always Ruled It

Menier held it as a private estate, restricted admission to it, stocked it with game and preserved its natural and imported wild creatures —importing 300 white-tailed Virginia deer, which, under these favorable conditions, have increased in thirty years to some 50,000—but Canadian sovereignty over the island was never in dispute, Canadian laws were always operative, and Canadian lighthouses were maintained, the staffs of these, indeed, being the largest element in the population of the place. To-day it is again in purely Canadian hands, so that the question of sovereignty is a purely academic one; but from a utilitarian viewpoint it is of interest to note that whereas Menier bought it for $125,000 it cost its new owners $6,000,000 to acquire it, so enormously had its forest areas increased in value in the past thirty years.

The Anticosti Corporation estimates that there are 14,400,000 cords of timber on the island, 40 per cent of which is spruce, and the rest balsam, or fir. A cord, it may be explained, is a unit of measurement for pulpwood or other timber as cut and piled near a river bank for floating to the point of manufacture; and means a block 4 x 4 x 8 feet, equalling 128 cubic feet, or yielding about 500 feet of sawn lumber and weighing about 3-4 ton. These are the woods chiefly valuable for papermaking and this "Cordage" would produce 11 million tons of newsprint, the grade used in newspapers. The growth is such that the forests reproduce themselves naturally; and to cheapen the work of logging there light railways are being constructed and the most modern equipment installed, the harbors being improved as well, so that the wood can be most profitably conveyed to the mills on the mainland nearer Quebec City, owned by the companies concerned.

Sees Development in Labrador

The reason for the purchase of Anticosti and the utilization of its forests is the ever-increasing scarcity of the supply of pulpwood in areas closed to the scene of manufacture. The same reason is expected to bring the woodlands of the Terranovan Labrador into use before many years, for some of the river valleys of Canadian Labrador are, like Anticosti, being developed already, though Canadian Labrador suffers decidedly from a lack of good harbors, while the Terranovan tract, rather curiously, enjoys an abundance of them. Hence the advantage of the Colony itself possessing the legal title to all of its forest areas and being able to dispose of them with a clearer idea of their value, in the light of latter-day methods for their utilization, than existed when the original licenses were issued, thirty years ago.

The same is true of the water-powers, the use of which in industry is one of the romances of modern times. Fortunately only one water-power of substantial value, in the whole of the dependency, is in private hands. This was granted for a long term nearly 30 years ago, at an annual rental of $30, so little was such an agency valued in those times. Nothing has been done with it since by the holder, and there is talk now of amending the law and requiring him to utilize it or submit to cancellation. The wealth of the region in water-powers is enormous. One cascade alone—the famous Grand Falls on the Hamilton River 250 miles from the sea, ranks among the world's wonders. Prof. A. P. Low, the Canadian Government geologist, who surveyed it 35 years ago, estimated that the fall itself could develop energy equal to 1 3-4 million horse-power, and that, if the rapids above and below were to be harnessed, about 4 1-2 million horsepower could be developed. Another cascade on the same river, and only about 20 miles from its mouth—the Muskrat Fall—is estimated as capable of developing half a million horse-power as it is now, and twice that if "regulated" by scientific effort. In addition, of course, there are innumerable, smaller powers on the lesser rivers in this 110,000 sq. miles of territory.

Mineral Wealth is Great

The mineral wealth of the region is thought to be enormous, though no organized prospecting has been done. Prof. Kindle, of the Canadian Geological Survey, who visited the territory in recent years says there are reasons for believing that Labrador will eventually contribute to the world's supply of mineral wealth, and Prof. Coleman, of the University of Toronto, who has also operated there, expresses the view that the pre-Cambrian area in Northern Quebec, one of the richest now known, extends into Labrador and will cause considerable mining activity there in the future. It follows, then that so far as the mineral development is concerned, the Colony's hands are free; virtually no mineral grants have been issued and the State stands to profit almost entirely from any progress in this direction that the future holds.

The fishery wealth is being utilized in part by the Newfoundlanders, who proceed there every summer in thousands in quest of cod and other fish, but it is capable of being still more actively developed hereafter. It will thus be apparent that the territory is one of great value and to be parted with lightly. Some critics say Newfoundland will have to sell, and quickly because she lacks the capital to develop the region. But the first answer to this is that she has given it more attention so far than Quebec has given to Canadian Labrador, which is part of her territory, and the second is that if Newfoundland lacks capital she can obtain it from abroad as Canada has done so largely in the past and is still doing. Indeed, the paper-making and power-producing industries of Canada to-day are largely the product of outside capital. The United States predominating but Britain being also a large factor.

Oppose Sale of Territory

A large and influential section of public opinion in Newfoundland is opposed absolutely to the sale of the territory for many years yet, arguing that it costs very little to retain it and urging that full surveys be undertaken to determine more clearly the extent and variety of its natural resources. Even those who are more favorable to parting with it claim that no figure should be considered less than $100,000,000, which is about the total of our public debt, direct and contingent. About the end of 1924 Premier Monroe and some of his colleagues visited Montreal at the invitation of Premier Taschereau, to discuss with representatives of the Quebec and Ottawa Cabinets the possibility of settling the dispute as to the boundary without going to the Privy Council, and among the alternatives suggested was that of purchase. The figures mentioned then ranged from five to thirty millions, but the parties were too far apart for any agreement to be reached. The matter was before the Courts, so to speak, each side was confident of winning, and the terms which Quebec represented as her best, Newfoundland would not look at; and vice versa.

After the Privy Council's decision has been given Premier Taschereau, in response to inquiries by Canadian newspapers, as to the possibility of purchasing the territory then, remarked that the proposition had become too serious for Quebec alone; and that Ottawa would have to co-operate. There the matter stands at present, and there is no indication that any change is likely to take place in the near future. At intervals one reads of some activity in the direction of an approach, toward negotiations for a sale, but they are really the outcome of the efforts of interested parties, seeking to escape, from the consequences of the situation that will arise, after March 1st, when cancellation proceedings are instituted.

A fantastic notion prevails in some quarters in Canada, and also in Newfoundland, sedulously promoted by the parties who expect to figure in the rôle of "middlemen," that no sale is possible except through the agency of these parties, who plan to be paid a commission on the purchase price for their services, and who base their claim to such a reward on their alleged interest in the timberlands of the region. But as three governments—the federal government at Ottawa, the provincial government at Quebec, and the government of Newfoundland, would have to reach an accord as to terms, in the event of a sale being negotiated, and as these terms would have to be approved in turn by the parliaments of these three countries and possibly by the Imperial parliament as well, it is difficult to believe that all these representative men, as well as the various electorates concerned, would be parties to any transaction whereby portion of the money to be paid for such a transfer of property would go into private hands. In no previous passing of territorial areas has any middleman been needed, and one can hardly imagine any self-respecting government confessing even by implication, the necessity for such now. But just as one reads from time to time of people expecting to get rich from the mythical hoard of some "Spanish prisoner," so one hears of people who are equally sanguine of financial prosperity through a share of the commission to be paid on the sale of Labrador.

CANNERS SHIPPING TO UNITED STATES

General Shortage of Canned Goods Reported Across the Line

Canned goods in the hands of primary dealers in the Dominion are now practically all cleaned up, this being particularly true of tomatoes, corn and peas. Canadian Grocer, in its current issue, points out that, for the first time in several years, fairly large quantities of canned tomatoes packed in this country are being exported to the United States on account of the shortage there. In view of the fact that the goods are going into markets as widely separate as those of Albany, Philadelphia, St. Louis, Chicago, Rochester and Cleveland, the assumption is that the shortage across the line is somewhat acute and that it is more or less general. Canadian Grocer continues as follows:

"Advices from across the line show that canned tomato prices in the United States have advanced at a rapid rate from the opening last year. Tomatoes that were selling at around 75 to 80 cents are now being offered at as high as $1.20, representing a 50 per cent advance. It is understood that 3's, which opened at around $1.50, are now up to $1.70. Canadian canners, too, in addition to shipping goods to the United States, are securing higher prices for this export business than they are getting in Canada.

Independent canners here are pretty well sold out and it looks as if the 1928 pack, in addition to the surplus carried over from 1927, will all be cleaned up early this season so far as first hands are concerned. The 1929 pack will therefore come on practically a bare market. In fact, the No. 2 size is now almost all disposed of so far as the canners are concerned. Prices have advanced since the opening last fall and undoubtedly they will go still higher. We are, too, entering a season of big consumption and this will tend to still further appreciate the market value of this line.

"The situation in canned corn is also quite firm. The independent canners are practically all sold out and all canners in Canada should be well cleaned up before the new pack. Recently orders have been coming from British Columbia for Ontario canned corn. The small sizes of canned peas are, too, pretty well all disposed of so far as canners are concerned and it is unlikely that there will be anything but a few of the larger sizes carried over into next season—if any at all are left."

Rubber Goods Exports Greater During January

From Our Own Correspondent

MONTREAL.—Canadian rubber goods manufacturers continue to find a good market for their products in overseas markets. During the month of January, exports totalled in value $2,353,376. This compares with shipments during the corresponding month of last year of $2,255,144. Shipments were made to 82 countries.

Though pneumatic tire cases constitute the principal export item, shipments of canvas shoes with rubber soles and boots and shoes of rubber, in the past year, have rapidly increased. In this field the Canadian manufacturers predominate having superseded United States shippers early last year.

Medalta Potteries Expand

The Medalta Potteries, Limited, of Medicine Hat, which began its career in 1916 with twelve hands, continues to expand, and is now employing a hundred persons in a brick and steel structure having a floor space of 69,000 sq. ft. and covering four and a half acres of land, with additional yard space of 3½ acres. The plant is electrically operated and right up to date in its machinery and equipment.

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A General Banking & Foreign Exchange Business Transacted

The Winnipeg Trustee Co. of Canada
HEAD OFFICE—WINNIPEG
Condensed Balance Sheet as at December 31st, 1928

ASSETS

Cash on Hand, and in Banks on Capital Account	$ 15,902.27
Canadian Government Bonds	20,312.54
Other Stocks and Bonds	8,231.06
Mortgages and Agreements Receivable on Capital Account	40,255.17
Advance to Estates and Clients	114,147.20
Foreclosed Properties	21,603.02
Head Office Building (after Depreciation)	34,954.07
Sundry Debtors	7,045.13
Office Furniture and Automobiles	5,506.82
Guaranteed Accounts: Mortgages & Agreements with Accrued Interest	170,235.54
Estates, Trusts & Agency Accounts: Cash in Bank, Investments and Assets for Realization	3,812,939.72
	$4,251,132.54

LIABILITIES

Balance due to Estates, Trusts & Agency	$ 63,940.81
Sundry Creditors	7,412.61
Dividend Payable	6,201.38
Mortgages Payable	11,636.20
Capital Stock Paid-up ($100,000.00 subscribed)	155,034.69
General reserve	20,000.00
Profit and Loss Account	3,731.59
Guaranteed Accounts: Clients Guaranteed Funds	159,396.67
Excess of Guaranteed Funds	10,838.87
Estates, Trusts & Agency Accounts	3,812,939.72
	$4,251,132.54

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Sherritt- Gordon Proves Much Ore in Development

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Lake Shore Prospects Shine as New Ore Body is Found

Large Ore Deposits Definitely Assured at Sherritt-Gordon

Rushing Plans for Concentrator—Railroad To Be Ready Next Fall

TO HAVE MODEL TOWN

Continuity of Contact Has Been Proven for Three Mills

Development work at the Sherritt-Gordon, has been sufficiently successful to date to assure a very large deposit of copper-zinc-gold-silver ore, C. D. Kaeding, consulting engineer, informs The Financial Post. Mr. Kaeding, in company with Joseph Errington, one of the directors, recently returned to Toronto after an inspection of the property.

In summing up development work, which he states is proceeding in an altogether satisfactory manner. Mr. Kaeding says, over a mile of underground work has been done in the east area, and over three quarters of a mile in the west area. A total of over 30,000 feet of exploratory diamond drilling has been completed, and 105 holes put down. The 105th was just completed at the time of his visit.

Surface exploration and diamond drilling has established the continuity of the contact along which the ore bodies are forming clear through the property for a distance of 3 miles.

Prepare Mill Site

Every possible effort is being made to bring Sherritt-Gordon into production as rapidly as possible. At the present time the company's engineering staff in Toronto, is busy working on plans for the 1,500-ton flotation concentrator, while at the property grading and excavating for the foundations of the first unit will be started shortly after the break-up.

Considerable construction material is being taken in by tractors over the 50 miles of winter road which stretch is between Cranberry Portage and the property, and some of the forms are already being made ready for the concrete foundations, so that pouring of the concrete and the erection of the structural steel framework may be proceeded with, without delay as soon as the railroad reaches Sherritt.

Railroad Ready in Fall

The construction of the 42-mile railway branch from Cranberry Portage to the Sherritt-Gordon property is being done by the Dominion Construction Co. The contractors have already completed clearing 30 miles of the right-of-way and their construction camps are strung all along with large gangs of men rushing the work along. At the present rate of progress, it is anticipated laying of steel will be completed and trains operating over the line early next fall.

Lateral Work Progresses

In the development of the Sherritt-Gordon property two shafts have been put down 7,000 feet apart. Sinking of the West shaft was temporarily suspended about six months ago at a depth of 400 feet, and sinking of the East shaft about four months ago at a depth of 300 feet. Since that time the management has concentrated in lateral work.

At the East shaft this work is going forward on the 125 and 250-foot levels, where a total of 30 crosscuts have already been put through the ore body.

Development work at the West shaft is proceeding on three levels, the 125, 250 and 375.

Reported Ore Values

According to reports from The Pas, the main development in the East shaft has been on the 125-foot level where a length of about 2,400 feet has been drifted and crosscuts put through the orebody at 100 foot intervals. The ore is said to average 14 to 15 feet with the grade of ore averaging 3.25 per cent copper, 3 per cent zinc and about $1 in precious metals.

In the West shaft the main development has been on the 375-foot, the bottom level. On the 125-foot level four crosscuts have been cut. The orebody here is wider than in the eastern workings, with the crosscuts running from 25 to 30 feet in width. It is of a slightly lower grade however, running 2.3 per cent copper and 3 per cent zinc. It also carries precious metal values.

Only temporary construction camps are being built about the Sherritt-Gordon as homes of the engineering staff and miners will eventually be built on a model townsite on the shores of Sherlett Lake.

Plans for this model town are being entrusted to qualified town-planning engineers, and adequate provision is being made for the needs of 3,000 population, as it is anticipated the town will become the fitting-out base for northern exploration.

The future needs of the town have already been anticipated by a couple of banks which have established temporary branches along the shores of Cold Lake.

Find High Grade on Monelk

A number of small stringers carrying high-grade silver are reported to have been encountered in the Monelk shaft. Sinking has now reached 100 feet and lateral work is to be commenced in the near future.

Govt. Interested in Noranda Mine?

"Is there any truth to the report that the British Government has become interested in Noranda?" The question when put to President J. Y. Murdock by The Financial Post elicited the reply, "I'm not saying anything."

"Our information comes from what we believe a fairly reliable source, Mr. Murdoch," persisted The Financial Post.

"Well we're not dealing with them directly anyway," came back Mr. Murdoch.

The British Government rumor has gathered considerable circulation, and has probably been brought about by the association of British Metals Corporation with Noranda in the proposed copper refinery. British Metals Corporation is said to have the support of the Imperial government.

LOW METAL PRICES AFFECT SMELTERS PROFITS FOR 1928

Betterment in Market Since Will Help Company

From Our Own Correspondent

MONTREAL—A preliminary estimate of earnings for 1928, issued by Consolidated Mining and Smelting Company shows profits for that period at $6,421,460. This figure is arrived at after making deductions for depletion, depreciation, contingent account and taxes, and also after deducting the sum of $1,763,207 for additions to property through profit and loss.

These profits of $6,421,460 for last year compare with $7,160,461 for the preceding year, computed in the same way, when a total of $3,590,506 was deducted for additions to property through profit and loss account.

Lower Metal Prices

The statement, as issued by the company, says that as announced in December, the lower range of metal prices during 1928 more than offset lower operating costs and larger output. The statement continues to say that metal prices have improved since the turn of the year and promise further appreciation, and indicate that though somewhat affected by severe weather conditions, operations are proceeding satisfactorily.

In considering the above, it should be borne in mind that deducting property additions from earnings, makes the showing of the company actually better than final figures reveal, though such expansions are ordinarily chargeable to capital account.

Without the complete report, it is rather difficult to make an accurate analysis of the company's showing for last year. In 1927, the company earned 92.8 per cent, or $23.02 per share on the capital stock. It is likely that the complete report will show earnings to be somewhat less than in 1927.

Market Value Steady

Meantime, the market value of the stock has not shown any marked change. Owing to the large blocks of stock of this company which are more or less permanently off the market, such as C. P. R. holdings, the limited supply of trading stock makes for wide fluctuations in values between sales. Current quotations are around 505 and though the price has dropped below that mark, this seems to be its level for the time being.

For some time past, there has been considerable speculation among investors and others interested in the progress of this company, as to the attitude of the directors on the question of splitting the stock. There have been rumors without end, the one finding most favor being that the company will split the stock on the basis of ten for one. As the preliminary statement for 1928 gives not the slightest indication of a stock split, it is taken for granted that the company will not take any action along this line for the time being.

N.Y. INTERESTS ARE TO FINANCE ANGLO-SUDBURY

H. E. Clement Appointed President and Manager. Name Strong Board

Harrison E. Clement, former general manager of Paymaster mine, Porcupine, has been named president and managing director of Anglo-London Mining Corp., which controls Alexandria Gold Mines on the Pacific Coast and also the Babine Bonzana, the old Cronin mine near Smithers on the C.N.R. Quite a strong board has been named to support Mr. Clement and financing has been taken over by a New York house.

Alexandria Gold Mines has one long shoot of commercial ore opened up and indications of another good one. It is the intention of Thos. Davey, consulting engineer, to speed up development and the working force will soon be increased to fifty.

Babine Bonanza Mines is credited with 50,000 tons of proven ore averaging $27.30 per ton and a car of high grade is now ready to ship. The indicated reserves are much larger and it is the intention as soon as funds are provided to proceed with the erection of a concentrator.

Anglo-London is issuing only common stock. A small amount of preferred is in the hands of the public but this will be redeemed. The new board of directors follows:

Harrison E. Clement, Consulting Engineer, Graduate of University of New Hampshire, Toronto, Ont.; pres: Gen. A. E. Ross, C.B., C.M.G., M.P., Kingston; Vice-pres: Oscar V. Bartels, Treasurer of the City of Kingston; W. J. McCoy, W. J. McCoy & Co., Chartered Accountants, Toronto, Ont.; treasurer: Wm. R. Sproule, Financial Broker, Ottawa; Edmund Herne, Barrister-at-Law, Toronto, Ont.; W. R. MacFarlane, Toronto, Ont.; Albert Hampton Danforth, President, Danforth, Duncan & Co., Inc., 37 Wall St., New York City, U.S.A.

Granada Rouyn Vein Reported Showing Well

It is reported No. 2 vein of Granada-Rouyn, which is being drifted on at the 375-ft. level, narrowed down for about 25 feet but has come in strong again, the whole drift-face showing quartz. Values, which are still rather erratic, are said to run from $1 to $12 per ton. On the 625-ft. level, the vein showed signs of strengthening, but values are still low.

The manager's report at the first of the month stated a crosscut started at the 500-ft. horizon from a point 200 feet away from the shaft had struck the vein in 12 feet. The last few rounds showed the vein to be 2½ feet wide, with much galena and zinc, along with free gold.

Quebec Gold Producer Ships Bullion to Mint

The first shipment of bullion from an exclusive gold-producing mine in the province of Quebec has been shipped forward to the Royal Mint at Ottawa. The shipment made by Siscoe Gold Mines, operating 45 miles up the Hurricana River from Amos, was of an approximate value of $25,000.

Officials of the company commenting on the first gold shipment from the mine, point out that while the mill was completed early in January, during the initial stages it was operated on waste and low-grade material and only recently reached a normal production basis. The results obtained while satisfactory, cannot therefore be considered a representative return for the period in question. This should be reflected in the bullion recovery for the next period of the same duration when returns will be available from a better grade of ore.

Tractors Deliver Bulk of Supplies at Island Falls

Hudson Bay Mining Co. Uses Winter Roads to Rush Hydro Plant

From Our Own Correspondent

THE PAS.—Tractor trains are being used to rush in supplies to Island Falls on the Churchill River, 57 miles north of Flin-Flon, where the Hudson Bay Mining & Smelting Co. expect to develop 35,000 horsepower. The work of harnessing the rushing waters of the fast-flowing Churchill is being pushed forward rapidly, so that power may be available as nearly as possible after the completion of Flin-Flon's big mining plant, now under construction. Full advantage has been taken of the possibilities winter roads offer for moving supplies by tractors and of the 23,000 tons to be taken in this winter, over 18,000 tons have already been delivered at Island Falls. This freight includes 16,000 tons of cement and fifty or more pieces of machinery ranging from twelve to twenty tons each.

Rush Building Campaign

At Flin-Flon itself all is activity. Workmen are excavating, and erecting forms to take care of the concrete foundations of the power house, machine shop, and other surface buildings. The main warehouse, a steel structure, is nearing completion, and temporary camp buildings to house a force of 600 men are being erected. At the same time grading and filling, and the constructing of trestles where needed, is being followed by the laying of trackage about the plant.

The 25-ton test mill is being operated daily and extensive metallurgical experiments are being carried on to ascertain the most satisfactory process for treatment of Flin-Flon ore.

The extensive development in progress on surface is being kept pace with underground, where development work is being conducted along lines which enable big tonnages of ore to be handled to fully satisfy the future demands of the mill.

No. 2 shaft which has been sunk to a depth of 400 feet has been used exclusively to date in carrying on underground work. All lateral work has been concentrated on the 290-ft. level where the main haulage way has been carried along the foot wall in drifting for a distance of over 3,000 feet. Eleven cross-cuts have been driven into the orebody at intervals of 125 feet, and average 130 feet in width. Three of these crosscuts extend north of No. 2 shaft, and the remainder to the south.

The work of raising No. 4 shaft, located in the south end of the mine to surface has been completed, and at present time a pilot raise from No. 3 shaft at the northeast end of the mine is being driven to surface from the 300 ft.-level.

With three shafts available, the work of development and later of production, will be greatly speeded up, and Flin-Flon should be placed in a position to handle ample tonnage to meet mill requirements for some time to come.

Royalite No. 18 Strikes Gas Flow

From Our Own Correspondent

CALGARY—Royalite Number Eighteen has encountered a heavy flow of gas sixty feet in limestone. No estimate of flow yet available as tools are now being taken out and a measurement made. This well offset Illinois-Alberta.

NORANDA REPORT WILL BE ISSUED IN A FEW DAYS

Murdoch Away to Bermuda Hold Annual Meeting Late in March

An announcement regarding stock right to be issued Noranda shareholders will be sent forward after the annual meeting, probably some time in April, President J. Y. Murdoch informs The Financial Post.

Noranda's genial president is leaving today for a four weeks holiday trip to Bermuda. The annual report will be sent forward to shareholders during his absence, and the annual meeting held immediately after his return, toward the end of March. Shareholders will be called upon to notify the issuing of rights at the meeting and the conditions under which they will be issued.

Mr. Murdoch stated there was no new development of importance to report at Noranda Mine, and that no further announcement was to be made at the present time regarding the new copper refinery. In the meantime many details are being attended to in connection with the launching of this project in which British Metal Corporation of London, England, and Nicholas Copper Co., of New York will be associated with Noranda.

Maritimes Want Refinery

While it is generally conceded the site of the refinery will be along the shores of the St. Lawrence, probably near Quebec City, a determined effort is being made to induce Noranda to locate in the Maritime provinces where in addition to ample power, all-year-round navigation will be available.

The first announcement in regard to the issuing of Noranda rights was made by Mr. Murdoch following a directors' meeting in January. At that time he stated the Noranda directors had decided to recommend to shareholders that an issue of treasury stock be made to shareholders. The subscription rights being one share for each 30 shares now held, at a price of $45 a share.

The money acquired from the offering is to be used to retire its subsidiary, the Horne Copper Corporation's $2,450,000 7 per cent bonds outstanding, and the balance will be allocated to covering the cost of extensions to plant and buildings now under way.

ABANA DRILLS FIND GOOD ORE AT 500-FT. LEVEL

Shareholders Are Offered Rights on Stock One for 14

Ore of good grade and width has been encountered in diamond drilling at Abana Mines according to an official statement issued by President Alfred Savard, K.C.

"Diamond-drill hole No. 7, which was drilled north to intersect the No. 2, or the copper ore body, at a depth of 500 feet from the surface, west of the diabase dyke, intersected an important width of ore of good grade. Owing to the nature of the rock passed through, it is thought that the diamond-drill hole has deviated some distance from its original course. The true width of this intersection will not be known until the hole is surveyed. Hole No. 6 cut the same ore body approximately 75 feet east of hole No. 7, with only fair results, and checked with this ore body on the 300-foot level.

"Owing to the apparent importance of the results in hole No. 7, the doubt as to its exact width and its proximity to hole No. 6, it will be checked by drilling from the north in the same plane and another hole which will be drilled about 75 feet to the west of the intersection in hole No. 7.

"It is expected it will take three weeks before this work can be completed, and the results will then be announced.

"The work at the mine is now running smoothly, four machine drills and two diamond drills being employed developing the known ore bodies and drilling the deposit at depth."

Issue Stock Rights

Accompanying the Summerhayes report on Abana, which was sent forward to shareholders this week, was the following statement, regarding financing the program recommended by Mr. Summerhayes:

"As further financing is necessary to carry out this program, your directors have decided to issue to shareholders the remaining 200,000 shares of the treasury stock, at $2 a share, in the proportion of one share to every 14 outstanding

"Share warrants will be mailed to shareholders of record on March 6, giving them until March 26, to avail themselves of the privilege of subscribing for their allotment. Warrants will not be issued for fractional rights."

"A firm underwriting agreement has been completed by which F. G. Oke, Toronto, purchases the balance of the shares which will not have been taken up by the shareholders, at a price net to the company of $2.00 per share.

This will provide $400,000.00 working capital."

Connell Drops Option

It will be noted that shareholders are being issued rights to Abana stock at prices considerably below the option secured by F. M. Connell, one of the directors, from the Vickers Mining Co., through F. G. Oke.

Under this agreement Mr. Connell secured an option to take up 500,000 shares over the period of a year, in blocks, of varying size and at prices ranging from $3 to $7.50, on an increasing scale, the average price being $5. Mr. Connell exercised his option to the first block, 62,500 shares, at $3 a share. He did not however, take up the second block of 62,500 shares at $3.50 per share which fell due last week, and the entire option was thereby vitiated.

W. A. MONTGOMERY IS NOW SHIPPING HIGH GRADE ORE

Sends 3,000 Tons Monthly to Noranda Smelter Values Improve

Waite-Ackerman-Montgomery has stepped up its monthly shipments to the Noranda smelter to 3,000 tons a month, an increase of 1,000 tons over the regular monthly shipments that have been going forward since last August. The grade of ore is also reported to be improving, averaging 10.86 copper and carrying gold and silver values as well. Recent shipments of ore from the Waite have been sufficiently high grade to be put through the smelter direct, instead of being first treated by the concentrator as was formerly the case.

The high grade is said to be coming from a raise on the 225-foot level.

The increased tonnage the Waite has been able to secure from its underground workings augurs well for the shipments that should be made from the property next summer, when extensive glory holing and open cut work will get under way.

Crown Reserve Results Prove Disappointing

The annual report of Crown Reserve Consolidated Mines for 1928 states in part:

"In upper levels No. 2 vein showed irregular mineralization and generally extremely low values. A gradual improvement as well as decided increase in mineralization was evident at lower levels. This increase with depth was, however, not found at the bottom level; here more faulting was in evidence, the mineralized portion was narrower and in two sections. In some parts of No. 2 vein fair widths of low-grade ore were exposed, but its occurrence was too irregular to provide any payable blocks of ore, unless sufficient tonnage to operate on a large tonnage basis was found. Of this, however, there was no evidence down to the 1,175-foot level explored. No change can be seen in the formation on the lower levels to account for the impoverishment of No. 1 vein at depth."

The balance sheet shows cash on hand at $8,676.25; accounts receivable, 1,990.09; investments, $24,903.52, and stores on hand, $10,346.09. Accounts payable are $10,832.65.

Canadian Engineers and Metallurgists to Meet in Winnipeg

The Bobjo Strike

Arrow shows 100-foot pay streak uncovered in trenching. Much visible gold was found. Many samples were 25 to 30 per cent gold. Note prospectors at work trenching.

Manitoba Capital Prepares Welcome for Institute's 30th Convention

PROGRAM IS VARIED

Papers Will Give Details of Mining Development in Western Canada

The giant strides Canada as a whole is making in the development of her mineral resources, and the possibilities her different mining areas offer toward adding to the nation's wealth in the future, will be graphically described by outstanding mining authorities at the annual meeting of the Canadian Institute of Mining and Metallurgy being held at Winnipeg next week.

Not only will a distinguished gathering of Canadian mining men and representatives of kindred interests be in attendance, but an international character will be added to the proceedings of the three days, March 6, 7, and 8, by the attendance of scientists from the United States, two of whom will present papers.

This, the thirtieth annual meeting of the Institute, is being held in Manitoba's capital for the first time, Winnipeg having been chosen this year, in tribute to the outstanding position Manitoba has attained in the Canadian mining industry.

Represents Dominion Govt.

The Hon. Charles Stewart, Federal Minister of Mines, will attend and reply to the toast of the Government of Canada at the annual banquet which will conclude the sessions. He will be accompanied by Dr. Charles Camsell who will preside at the Institute luncheon held on the opening day.

An old Manitoban, and past President of the Institute, who has long been closely associated with mineral development in Manitoba and has consistently held to the opinion that Manitoba some day would make important contributions to the mining industry of Canada, will take the chair at the morning session of the second day. This is Dr. R. C. Wallace, formerly Commissioner of Mines for Manitoba and now President of the University of Alberta.

Other very well-known Canadians who will attend are J. D. Galloway, Provincial Mineralogist of British Columbia, D. C. V. Corless, formerly manager of Mond Nickel Company who will present a paper entitled

(Continued on page 23)

GEORGIA RIVER HAS SECURED HIGH VALUES

Assays Reported to Run from $51 to $94 Per Ton

Announcement is made by officials of the Georgia River Gold Mines, operating in the Portland Canal District, B.C., that ore carrying high gold values has been struck in the main tunnel at a depth of over 100 feet from the surface. Assay returns from samples received at the company's office are reported to range from $51.39 to $94.50 per ton. This ore is associated with a cross-vein, in all probability the South-West vein. Drifting on this vein is to be undertaken immediately to determine the size and extent of the ore body. It will be recalled that some of the richest ore samples taken from the district have been taken from this property. The extensive development work which has been going on for the past few weeks is apparently yielding some very gratifying results.

Apex and West Dome May Merge Holdings

It is stated that a merger of Consolidated West Dome Mining and Apex Mines, Ltd., may take place in the near future. Apex shares were called for trading on the Standard Exchange during the week and were subject to some heavy trading.

Apex Mines is the owner of the properties held by Apex Porcupine Mines. These consist of 80 acres immediately west of West Dome's holdings. It also owns 200 acres in Rouyn Township, 200 acres in Dufresnoy, adjoining the Newbec, and 24 claims in Steele Township.

Just how much strength can be attached to the merger rumor is difficult to say. There has been nothing of an official nature to support the report.

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In addition to recording the quotations and sales of the Standard Stock and Mining Exchange, we constantly maintain a very helpful Bulletin Service pertaining to day-to-day developments at the various operating mining companies in Northern Ontario and Quebec.

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SIZING UP THE MARKET

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While not always right, the careful broker is much better able to "size up" the market than the man in the street who must, of necessity, be less well informed of property and market conditions.

Present indications are that active trading in British Columbia and Pacific Northwest mining stocks will continue for months. We believe that present prices of selected issues are considerably below those that will be recorded in the near future.

If you are not receiving our Stock and Bond Report send us your name for our mailing list. Our statistical department will furnish accurate information and sound advice.

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POSSIBILITIES OF LAKE SHORE ARE IMMENSE

Discovery of New Ore Body Considered Most Important Development

"Lakeshore has found another mine," that is the way the new find at the big producer is described by the old-timers at Kirkland Lake. "I would not say we have doubled our ore reserves," Mine Manager Knapp replied to The Financial Post's query over long-distance telephone, "but the new discovery is undoubtedly one of the most important discoveries we have made to date."

Although Lakeshore knew of the presence of this ore body for some time, it was not until recently that development work revealed its importance.

The new ore may be described as Vein No. 3 as it was picked up in driving a crosscut from No. 1 to No. 2 vein, and development work indicates the possibility of an entirely new ore system being opened up parallel to, and between the two old vein systems, and possessed of equal possibilities.

Opened on Three Levels

Since December the new ore has been opened up on three levels, the 1,000, 1,400 and 1,600 and continuity proved on intervening levels. On the 1,000 foot level it has been opened up for a length of over 900 feet, and has an average width of 30 to 40 feet and an average grade of $18 to $20 per ton.

Possibilities Not Known

The new ore body lies within forty feet of the main vein, and was broken into from stopes in a bulge in the vein at the 1,000-foot level. At this point the ore bodies practically converge, and it was thought to be a part of the main No. 2 vein.

The new ore has been fully developed for 900 feet on the 1,000-foot level in the western section of the mine, but its possible length may extend to the east of the first fault, 1,000 feet east of the west boundary. As no work has yet been done on the other side of the fault, the possibilities to the west are not known.

Above the 1,000-foot level the new ore has been found on the 400-foot and 600-foot levels, where it has just recently been opened up for several hundred feet in length and showing widths and values corresponding with the main vein at these horizons. Below the 1,000-foot level the new ore has been found to extend to at least the 1,600-foot level, which is the lowest working level in the mine, and its continuation proved by a series of raises connecting the 1,600, 1,400, 1,200 and 1,000 foot levels.

Lake Shore's Progress

Although Lake Shore has practically doubled its production during the past year, and is now treating from 1,300 to 1,350 tons a day. It is very probable that still greater production will follow. President Harry Oakes is in Florida at present and further action in this regard will be deferred until his return.

The value of Lake Shore's production at the present time is running around $600,000 a month, and everything points to an increase. The present rate is approximately double of that a year ago this time.

Active Trading

Lake Shore was the most active of the gold stocks this week and advanced from $21 to $24.95. The stock has been more or less neglected in common with other gold stocks for some time, but promises to receive much more attention in the future. At the present time the stock is paying a dividend of $1 a year on a capitalization of 2,000,000 shares of $1 par value.

The present market valuation placed on the stock is now around $50,000,000, an advance of $10,000,000 since the beginning of the year.

In view of the immense strides made in the development of the property, the remarkable increase in ore reserves, and the conservative attitude of the management, the stock is in a very attractive position.

Propose to Drill Duprat Discovery

A heavily-mineralized break, 2,000 feet in length and averaging 500 feet wide, is reported by Duprat mines on the company's claims in Dufresnoy township, adjoining those of Newbec.

A program of diamond-drill exploration is proposed. The company is said to have $60,000 in the treasury. Camps have been built on the property.

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Believe Howey is Now Assured Power

Premier Ferguson's announcement that "Hydro has launched on a great power policy for Northern Ontario. There will be a new era of hydro development and a great expansion in the general policy of hydro developments in the future," is taken to assure the providing of power facilities for Howey Gold Mines and the other mine operators in the Red Lake district.

ANNUAL REPORT ON HARKER MINE IS ABOUT READY

Will be Sent Shareholders Within a Week or 10 Days

The annual reports on Harker Gold Mines and on the Greene-Stabell Gold Mines are in course of preparation at the present time and will be sent forward to shareholders within a week or ten days, President J. E. Hammell informs The Financial Post.

At both properties development work is being devoted to shaft sinking. The Harker shaft has passed the 675 foot horizon on its way to the 1,000 foot objective.

VENTURES OFFER 300,000 SHARES TO PUBLIC AT $8

Stock Not an Investment But a "Venture," Says Lindsley

Shareholders of Ventures Limited meet March 1 to authorize the issuing of 300,000 shares of stock for public subscription at a price not exceeding $8 a share. The offer made last week attracted wide publicity and a demand for the stock was aroused from coast to coast. Brokers accepted application for the stock on an "as, if and when" basis, and the bidding carried it to a high of $14.50.

The allotting of the stock was placed in the hands of A. E. Ames and Co., subject to the issue of the necessary supplementary letters patent authorizing the issue.

Under instruction of Thayer Lindsley, president of Ventures Limited, the brokers advised applicants for the stock that these shares must not be regarded as an investment but as the name of the company suggests, a "venture," and that those who could not afford so to consider them, should not subscribe for the stock. Accompanying the brokers' notice was a covering letter by President Lindsley setting out the capitalization of Ventures Limited, as follows:

Capitalization

Authorized ..... 10,000,000 shares
Issued (including 300,000 now being sold by company .. 6,346,705 shares

Company's Holdings

260,000 shares Sudbury Basin Mines, Ltd.
46,128 shares Sherritt-Gordon Mines, Ltd.
1,344,165 shares Falconbridge Nickel Mines, Ltd.

Foreign Securities—Total present market value in excess of $1,000,000.
Cash—including proceeds present sale, $2,722,578.94.
Unpaid balance on subscriptions, $287,987.50.

"In addition to the foregoing, the company has substantial interests in a number of promising prospects, against which no specific value is placed on its books.

"The company has also recently entered into an arrangement with the Consolidated Mining & Smelting Company of Canada, Limited, for the erection in Eastern Canada of a custom refinery for the treatment of blister copper and zinc concentrates.

"These shares must not be regarded as an investment but as a venture, as the name of the company suggests, and those who cannot afford so to consider them should not send in a subscription."

Beardmore Mines Have Opened Up New Widths

Head office of Beardmore Mines has received the following telegram from its Mine Superintendent:

"Everything looking good at mine. Wonderful ore. Looks like 12 feet of vein matter on east and drift. West end six and half feet. Think it would be advisable to raise stock to fifty cents."

Stock was recently advanced from 30c. to 40c. per share.

Howey Mine Makes Progress in Shaft-Sinking Program

"There is nothing new to report from Howey Gold Mines at the present time," states Mine Manager Horace Young.

"Our whole development program is centred on shaft-sinking, and we are making satisfactory progress.

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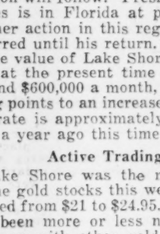
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W.-HARGREAVES REDUCES OUTPUT TO 350 TONS

Step is in Accordance with Summerhayes Recommendation

Following the annual meeting of Wright-Hargreaves held at Buffalo, announcement was made that production at the mine will be cut in half from 700 to 350 tons a day, in accordance with a recommendation set out in the Summerhayes report. The step will enable the management to concentrate on development of new ore and the building of a substantial reserve.

An improvement in conditions on the 2,000 foot level was noted by President Cabana who at the same time pointed out that while it was hoped the better grade ore was there to stay, development had not been advanced to the stage where this could be taken for granted.

If mill heads kept up a resumption in dividends might be expected, a shareholder was advised.

A change was made in the board of directors by the election of William Wright to the post of vice-president. The board, as now constituted, consists of: Oliver Cabana, Jr., of Buffalo, president; W. H. Wright, E. I. Miller, G. F. Miller, O. G. Donaldson and J. Y. Murdock. Messrs. Wright and Murdock are the Canadian members on the board.

CANADIAN ENGINEERS AND METALLURGISTS TO MEET IN WEST

(Continued from page 22)

"The Frood Deposit; a suggestion as to its origin," and J. E. Hammell, president of Northern Aerial Minerals Exploration Ltd., a company pushing exploration into the farthest north. Mr. Hammell will contribute a paper describing the systematic methods adopted by his company in order that no important prospecting area may be overlooked.

Is Distinguished Guest

F. W. Bradley, president of the American Institute of Mining and Metallurgy, and also president of the Treadwell Yukon Co., Ltd., has announced his intention to be present. This is the first time the President of the American Institute has attended a gathering of the Canadian Institute.

Are Outstanding Speakers

Among the better known of the speakers who will contribute papers of general interest are L. H. Cole, Mines Branch, Department of the Interior: "The Place of Non-Metallics in the Mining Industry;" J. E. Hammell: "Aerial Exploration," and L. L. Bolton, Assistant Deputy Minister of Mines for Canada: "How the Department of Mines Serves the Public."

The Cold Lake area of Manitoba has recently bulked large in the news columns through the development of the important ore deposits known as the Sherritt-Gordon, and curiosity regarding this new mining area of the Province will be satisfied by a paper on its geology and copper-zinc ores by J. F. Wright of the Geological Survey.

The progress of mining in Western Canada will be dealt with very fully in a number of papers. British Columbia will be served by F. A. Kerr: "Development and Mineral Resources of Northern British Columbia;" V. Dolmage, an old Manitoba University graduate: "The Origin of the Copper Mountain, B.C. Ores"; and J. D. Galloway: "Copper in British Columbia."

Saskatchewan's contribution is "Saskatchewan Clays of Dominion Importance," by W. G. Worcester, Professor of ceramics, University of Saskatchewan.

Alberta will have three representatives in J. A. Allan: "Salt and Gypsum Deposits in Alberta;" Gordon L. Kidd: "Notes on East Coulee Coal Area;" and T. G. Madgwick: "The Oil and Gas Situation in the Prairie Provinces.

Unlisted Mining Stocks
BOUGHT—SOLD—QUOTED
The following prices are subject to confirmation:

	Bid	Asked
Anglo Sudbury	..	.90
Astoria Rouyn	.08	.10
Bobjo	.40	.44
Brett-Trethewey	..	.26
Canadian Kirkland	.10	.13
Gilbec	.35	.37
Harker Gold	..	.23
McVittie Graham	1.00	1.10
McMillan Gold	.80	.95
Walsh Katrine	.14	.17
Wood Kirkland	.12	.16

Other stocks quoted on application.
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ARNO DIRECTORS RELEASE REPORT ON LOWER LEVELS

Arno Mines has attracted much attention in the stock market by reason of its spectacular rise from a 19 cent level at the beginning of the year to a high of $1.75 early in February, followed by a steady falling off to the sixty-cent levels it now holds.

For a time the stock occupied a front line position in stock transactions on the board, and the crop of rumors accompanying the heavy trading were legion. While the stock was on the upward grade, it was stated Toronto brokers had sold short over 900,000 shares. Later the stock began to ease off and reports went round that the possibilities of the mine had been greatly overestimated, that the copper had been leached by water flooding the mine, and that barren rock had been copper plated by deposition.

As the stock sold downward those who had speculated on its chances were badly hit, and ugly rumors were put in circulation. Certain people were accused of having deliberately framed the market, and it was also stated a broker's pool had been formed of those who had sold short, and some strong supporters of the issue made to walk the plank.

In view of the questionable position in which the whole transaction has been placed, the following report issued by the directors should go far toward clearing up the situation.

"The directors of Arno Mines Limited think it advisable to issue a second progress report following the report of January 15, in which the results of the examination of the 120 and 135-ft. levels were given.

Walz Reports on 190-ft. Level

"Since that date the 190-ft. level has been dewatered and has been carefully examined by Mr. Beaton, resident engineer and by Mr. Andrew Walz who has reported on the same as follows:

"My sampling and observations on the bottom of the 190-ft. level have left me with the impression that about 15 per cent of the ore sampled and observed, will make a product running about 10 per cent copper which can be shipped to the smelters directly, and that the balance of the ore body will yield a grade in the neighborhood of 3½ per cent, which can be profitably concentrated.

The winze connecting the 190 to the 250-ft. level immediately below, showed high grade ore and a considerable volume running 5 per cent copper. There are numerous places in the "B" and also on the "C" veins where a lower grade of ore is expected, which will run from 1½ to 2 per cent copper. This was not considered ore by the old operators, however. At the present time this grade of ore is valuable and will yield a good profit."

Beaton Reports on 250-ft. Level

"At the time of Mr. Walz's examination the 250-ft. level was not dewatered. This has since been done and Mr. Beaton's report on that is as follows:

"The work done on the 250-ft. level has not been sufficient to develop any ore. On drift running east from the main crosscut for 35 feet, the width of the drift is between 4 and 6 feet, and there is ore on both walls and back of this drift. The drift going south from this cut misses the vein, following the foot wall and it will be necessary to slash this out in order to place valuation on this part of "B" vein."

"It will thus be seen that sufficient work was not done by the old operators to establish either the full width or the length of the ore on this level.

At the present time the mine is dewatered down to about 300 feet and it is proposed to continue until it is pumped out to the bottom of the shaft, which will possibly be about the end of the month. Owing, however, to the accumulation of dirt at this part of the mine it is proceeding somewhat more slowly than at the upper levels.

"The company's engineers have advised that work should be concentrated on the 320-ft. level, and the length and thickness of the ore shoots ascertained.

Mr. Walz has given a very complete report of the result of his examination of the property, which it is impossible to give in its entirety here owing to the length, but a copy of the report is at the office of the company, and will be shown to any shareholder who desires to examine it.

Refute Rumors

"The directors as such, are not of necessity interested in the speculation in the stock, but in view of the rumors that have been spread about the property, they think that the shareholders should be informed that the Coxheath mine is on a range of hills at least five miles from the nearest salt water and there is no danger that the sea will flood the mine. The present pumping equipment has had no difficulty in dewatering the No. 2 shaft and workings, operating a few hours each day only, the balance of the time being used for timbering operations.

"The copper has not been leached out by the action of the water. The water was stagnant and stagnant water has practically no effect. What little leaching did take place was redeposited in the form of carbonates, malachite and azurite. Tarnishing did occur but on breaking a fresh face on a sample the interior is unaltered. In the Coxheath mine the effect has not been sufficient to detract from the amount of real ore.

PLAN TO RE-OPEN OLD KRAO MINE; RICH PRODUCER

Former Operators Were Driven Out by Uncontrollable Water Flow

From Our Own Correspondent

NELSON, B.C. — Butte, Coeur d'Alene and Spokane capital is associated in a projected rejuvenation of the old Krao property of Ainsworth, based on getting depth by use of the Crow Fledgling tunnel driven by the late A. W. McCune, multi-millionaire, to find downward continuation of the Krao ore and drain the upper workings, flooded by an underground well that drove out crew, defied pumps and forced a permanent shutdown in the early days.

W. E. Zwicky, early manager of the Krao when under Butte ownership, promotor of the present project, and manager of the newly formed Krao Mines, Limited, gave out these facts here.

Though the Krao vein lies on the further side of a lime-bed 60 to 80 feet wide, with which it is in contact, the McCune tunnel, as soon as it intersected the lime, turned and drifted on it for 1,000 feet along the foot-wall, without result. It is the Zwicky theory that if the McCune tunnel had crossed to the further wall of the lime-bed, it would have been in ore territory. At any rate, that is what will be done under his management, after the tunnel is refitted with trackage and pipe-line about May 1.

Ore Was Rich

Thousands of tons of shipping ore came out in the old Krao from No. 2 level, which followed the ore, five to 10 feet in width, for some 200 feet, without an end then being reached. In this milling ore was frequent high grade, and one pocket of phenomenal richness showed smelter returns of 13,000 ounces of silver to the ton and brought $60,000.

The new development projected will give less than 100 feet additional depth below the shaft bottom, but, if finding ore, will add materially to tonnage blocked out and now not available.

In old days a plan existed for a lake-level tunnel giving 1,500 feet new depth on the Krao ore body. In view of the great tonnage the nearby Kootenay Florence has found by its lake-level work, some kind of a deep program may be expected of the Krao should the coming exploration prove successful.

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NOBLE FIVE MINES OPENS NEW ORE ON 800 LEVEL

Total Content is Probably 25 to 30 Per Cent. and Easy Milling

From Our Own Correspondent

NELSON, B.C.—Some good new deep-seated ore in entirely virgin ground has been opened by the Noble Five mine, which last year made a sensation with its deep Deadman ore body. This new ore body was encountered in eastward development of the Noble Five vein on the 800 level, which is to be extended for many hundred feet preliminary to crosscutting to catch the rich Surprise vein at 750 feet new depth. As the Noble Five's vein system goes into the mountain with distance, the new ore body has to start with 1200 feet of backs. It has a tunnel width of mixed lead and zinc sulphides, total content being probably 25 to 30 per cent, or easily milling grade. The ore has just been struck.

Mineralization Is Strong

As there has been strong mineralization for the last 80 feet, or ever since the vein was picked up past the fault, finding of ore in some quantity has been expected. The new strike may possibly be the introduction to a very important ore area, since the main ore body of the Noble Five vein has been developed for 800 feet above this level and for 1000 feet below it.

Development Pays Costs

Development ore from the new strike will go to the mill along with similar ore from the great Deadman shoot on the 1,800 level, which at present is more than paying all operating expenses of the Noble Five. The big shoot, 275 feet long with ore still in the face, is now crosscut at five points, with an average of 30 feet between the walls and of 25 feet or better of ore. Mill operation is on a two-shift basis, handling 40 to 45 tons of ore a day, with crusher and filter using the power in the off-shift. Underground there are three development operations, each using one machine-drill for two shifts, while two stopers are also employed, breaking down ore in the 800 and 1800 Noble Five levels as reserve supply for the mill.

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Mining Inquiries

Jay Copper

Kindly inform me if there are any prospects of the Jay Copper Mines making good.

The results obtained in development work at Jay Copper Mines to date do not give much promise of its making good. The stock is very speculative.

Nickel

I have some International Nickel bought at $35. Should I take my profit now or hold on a while? What is the outlook for Noranda? I paid $66 for mine.

Unless you are in immediate need of money we think you would be well advised to hold your International Nickel and Noranda stock.

The future prospects of both are most promising.

Granby Kirk

Some five or six years ago I purchased some Granby-Kirkland mining stock. I have never yet noticed this stock as listed or unlisted.

Would it be possible for you to advise me whether or not there is any work still going on in connection with this mine, or any other information in connection with same?

Granby-Kirkland has been idle for some time awaiting funds for development.

Teck and Lake Shore

Will you please give me an explanation of the difference in price of the shares of Teck Hughes and Lake Shore?

The difference in price of the shares of Teck Hughes and Lake Shore is largely due to a difference in capitalization. Lake Shore is capitalized at 2,000,000 of $1 par value, all issued, and Teck Hughes has a capitalization of 5,000,000 shares of $1 par value of which 4,747,144 shares are issued.

Central Copper

Can you give me any information of Central Copper Co., Inc.? Where is the stock listed? Are they a Canadian company?

Central Copper Company, Inc., is not listed on the Standard Stock and Mining Exchange nor on any other mining exchange in Canada so far as we are aware. We are inclined to believe that this is an American mining stock and regret that we can give you no further information.

Gambles

Will you tell me what is your opinion on the following mines: Quebec Chibougamau Mines Limited, Obaloki Chibougamau, Duparquet Mining Company, Ltd., Big Missouri.

The first three companies on your list are prospects and gambles.

Big Missouri has possibilities but it is quite speculative at present prices.

Fort Hope

Is there any activity in Fort Hope? I wrote them some time ago and got a reply to the effect that operations were closed down and that they would reopen soon through new financing.

So far as we are aware there has been no change in the situation at Fort Hope Mines. We understand efforts are being made to secure further funds and that there is a possibility of work being resumed after the break-up.

Grover-Daley

I hold 5,000 shares of Grover-Daley. Is this property a dead issue or is it due for a little activity in the market soon?

Our information is that Grover-Daley is still making an effort to find a mine but so far without success. There is no work going on on any of its properties at the present time but we understand further work is planned in the spring. Any market activity in the stock will depend on what success is met with in development work.

Bobjo

I must decide in the near future if I want to buy shares in the Bobjo Gold Mines. Would you kindly give me your advice as soon as possible? What do you think of Sherritt-Gordon?

Bobjo is a prospect on which spectacular high grade showings of gold have been discovered. The property is in the hands of experienced mining men and you are assured of a good run for your money.

It is generally believed by mining men that Sherritt-Gordon will become one of the outstanding base metal mines of Canada.

Callinan

Would you kindly give me any information available on The Callinan Flin-Flon Mine, such as, directors, capitalization, and number of shares outstanding. If there is any pool stock, and what price was the stock issued at and the par value?

The directors of Callinan Flin-Flon are J. W. Callinan, president, R. T. Shillington, J. H. Black, Hugh Aird, and Colonel Robert Towers.

Capitalization—4,000,000 no par value; shares outstanding 2,700,000; stock pooled none.

The stock sold at $1 a share in first sales on the unlisted market.

G.C. and S.

I have been asked to invest in a copper company called the G. C. and S. Mining Corporation. What is it like? Is it safe?

Unless you are prepared to gamble with your money, we would certainly advise you to stay out of the G. C. and S. Mining Corporation. The literature issued by this company does not give particulars, so far as we have been able to learn, of anything that has been discovered on any of their properties, nor is there any statement by a reliable mining engineer. This looks like a very unattractive proposition.

Murphy Mines

I understand there have been some good finds on Murphy Mines. Is it worth while buying shares in this company? What did they find and what are they doing about it?

Murphy Gold Mine is now engaged in driving a crosscut from the 600 ft. level of its main shaft toward the Margueratt discovery. This latter property was acquired last summer and surface explorations disclosed an interesting outcrop.

A prospect shaft was sunk on this to a depth of 100 ft. and a crosscut driven out in both directions showed mineralization for a width of fifty feet carrying commercial values.

Macassa

I have some shares in the Macassa Mines. Is there anything to this company? What are they doing with the property? Have they any money? Should I hang onto my stock or sell and get out?

There is no work going on at the Macassa Mines at the present time but our information is that shaft sinking will probably start early this spring. The intention is to sink to a depth of 2,000 feet and carry on underground exploration work to ascertain the possibilities of this property. The company is in a strong financial position with over $158,000 in the treasury. Under the circumstances we think you would be well advised to hold on to your stock.

East Crest Oil

I have some shares in the East Crest Oil Co. What is it selling at in Toronto and Calgary? What is your opinion of it as a speculation? How deep is their well?

Our information is that East Crest Oil stock is selling at $2 for the free stock and $1.50 for the escrow stock on the Calgary Oil Exchange but $3 is being asked in Toronto. Purchase of this stock is more than a speculation—it is an out and out gamble.

The last information we had was that drilling had passed below 3,400 feet.

We observe that literature about the company quotes a favorable article from The Financial Post. We published no such article.

Blue Diamond

Is the coal mine purchased by the McIntyre a valuable asset?

What sum was paid to obtain it? And from whom was it purchased?

The Blue Diamond Coal Company was purchased by the McIntyre Porcupine Company and the Temiskaming Mining Company in equal shares in 1921. At the same time an option was secured in favor of the Blue Diamond Coal Company for a period of fifteen years from the Canadian Coalfields, Limited, covering their holdings, consisting of 8,320,000 acres. The option was obtained for $1,000,000 of which $150,000 was paid in cash, the remainder being payable at any time prior to July 6, 1935. The liability of this option was assumed jointly by the two companies. And it was agreed that the Blue Diamond Company should pay it out of net profits before declaring any dividends. The company has been operated at a loss since 1923.

Mining

I would be very grateful for your answers to the following questions:

Is it a speculation or an investment to buy shares in cheap mines with a par value of $.50 or less?

What are the points to consider in contemplating the purchase of mining shares?

What do you think of the following list as speculations? Grandview, Cork-Province, Ruth Hope, Noble Five and Sherritt-Gordon?

Is The Post going to include mines in its "Nothing Over $500" column?

Dealing in most of the mining stocks selling for fifty cents or less, is neither an investment nor a speculation, but an out and out gamble. The majority of mining stocks are speculative and only those which have been placed on a dividend paying basis and are possessed of substantial ore reserves approach the investment class.

In purchasing mining stocks one should consider the location of a mine. Is it in a proven area with producing mines already in operation? Have reliable engineers pronounced on its merit; is the board of directors composed of outstanding and successful business men? What is the capitalization of the company? How many shares have been issued? Is any of the stock pooled? Is there sufficient cash in the treasury to finance development work until a mine has entered the production stage?

Each of the five stocks you mentioned have made impressive progress in development during the last year. Sherritt-Gordon, we consider, the outstanding one in the list.

We are taking your suggestion under consideration and a series of articles such as you suggest may be run in The Post at a later date.

Mining Stock Quotations

Week Ending February 26

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close	Sales for wk.	Range 1928 High	Range 1928 Low	Range 1929 High	Range 1929 Low
Abana	$1	....	....	2.45	2.10	2.40	180435	4.80	1.75	3.90	2.07
Aconda	1	....	....	.21	.17½	.20	52550	.47	.10	.26	.13
Aladdin	1	....	....	....	....	....	....	1.86	1.20	1.84	1.78
Albain M.	1	....	....	.10	.05	.05	19900	1.05	.20	.17	.05
Algonquin	1	....	....	.02½	.02	.02	26300	.03	.01	.03	.01
Amity C.	1	....	....	.39	.35	.37	62715	.55½	.24	.43½	.27½
Amulet	1	....	....	2.90	2.25	2.65	229077	5.45	2.50	3.75	2.00
Apex	1	....	....	.13½	.03	.07	454000	.09	.01	.13½	.02
Area	1	....	....	.16½	.14	.15	16600	.48	.11	.20	.14
Argo. Con.	1	....	....	.03½	.02	.02½	25000	.04	.01½	.04½	.01
Arno	1	....	....	1.05	.60	.60	1009625	.39½	.15	1.75	.19½
Atlas	1	....	....	.02½	.02	.02	14000	.04½	.01	.02½	.01
Ankerite	1	....	....	....	....	....	....	1.23	.19	.15	.15
Bayview	25c.	....	....	.04	.03½	.03½	24100	.09½	.04½	.06½	.03½
Baldwin	1	....	....	.04½	.04	.04⅜	147000	.03½	.01	.05	.01½
Barry Holl.	1	....	....	.30	.28	.28	43150	1.50	.25	.44	.26½
Bathurst	None	....	....	.30	.25	.27	64310	.44½	.16	.38⅛	.24
B'Wana	1	....	....	5.65	5.00	5.25	16925	....	....	5.75	5.00
Bedford	1	....	....	.68	.64	.68	37300	.59	.32	.72	.46
Bidgood	1	....	....	.43	.40	.43	57400	1.60	.25	.60	.35
Big Horn	1	....	....	....	....	....	....	.44	.15	....	....
Big Missouri	1	....	....	2.00	1.78	1.85	274120	.99	.40	2.41	.75
Boischatel	None	....	....	.03	.02	.02	137600	.05	.01	.03½	.01
B.C. Pioneer	....	....	....	....	....	....	....	2.00	1.75	....	....
Buckingham	1	....	....	.13½	.10	.10	206150	.10	.04½	.15	.07
Bunker Hill	None	....	....	.15⅛	.10½	.14	63500	.35	.07½	.15⅛	.07½
Cambro	1	....	....	....	....	....	....	.55	.10	.35	.19½
Can. Lorraine	1	....	....	....	....	....	....	.21	.06	.10	.02½
Capitol S.	1	....	....	.06	.06	.06	4000	.18½	.05	.10	.05½
Capitol R.	1	....	....	.08	.07	.07	55700	.26½	.06	.10½	.06½
Castle Tre.	1	....	....	.38½	.36	.36	7100	.81½	.34	.40	.34
Cen. Man.	1	....	....	.64	.60	.60	28000	1.95	.58	.80	.60
Chaput H.	1	....	....	.09½	.08½	.09½	14900	.18	.05½	.10	.07½
Clericy	None	....	....	.40	.20	.28	92310	.36	.07	.48	.18
Clifton	1	....	....	.01½	.01	.01	5000	.02	.00⅝	.01½	.00⅝
Coast Copper	5	....	....	64.60	58.50	59.50	9508	66.00	28.00	67.00	53.00
Col. Kirk	1	....	....	.02½	.02	.02½	47300	.09½	.01	.03¾	.01½
Coniagas	5	....	....	2.00	2.00	2.00	410	5.50	1.70	2.60	2.00
Coniagrum	5	....	....	2.30	1.90	1.95	1400	5.50	1.00	2.50	1.25
Cons. Smelter	25	10+40	2.50	515	479	500	1440	400	239	575	374
Cork Prov.	25c.	....	....	.20½	.17	.17½	107330	.47	.19	.32½	.17
Corona	1	....	....	.04	.03	.03½	12800	.16	.02	.04	.02
Crown Res.	1	....	....	.08	.06½	.08	3800	.70	.22	.19	.05½
Dunkin	1	....	....	.23	.20	.20	64150	.55	.12½	.35	.18
Destor	1	....	....	....	....	....	....	.28	.20	.10	.10
Dome Mines	None	$1	10.25	9.80	9.50	9.75	3085	13.35	7.65	10.50	9.45
Dom. Kirk	1	....	....	.02	.01½	.01½	29800	.06½	.01	.02	.00¾
Don. Rouyn	1	....	....	.10	.09	.10	5600	.30	.10	.12	.09
Duprat	1	....	....	.06½	.04½	.06	97750	.12½	.02½	.06½	.02
Duthie	1	....	....	....	....	....	....	1.40	1.00	.60	.60
Everett	1	....	....	.02	.01	.01	3500	.03	.01	.02½	.01
Falconbridge	1	....	....	16.50	13.50	13.80	65910	5.30	4.50	16.50	5.15
Federal Kirk	1	....	....	.05	.03	.03	2700	.77	.01	.05	.02
George Grp.	1	....	....	10.00	9.50	9.60	1915	8.65	2.50	11.60	7.95
Goleconda	1	....	....	1.40	1.05	1.06	116850	1.13	.66	1.51	.81
Goldale	1	....	....	.13	.13	.13	2500	.44	.11	.19	.13
Gold Hill	1	....	....	.08	.07	.07	110100	.38½	.05	.09½	.05
Gold Reef	1	....	....	.01½	.01½	.01½	6000	.03	.01	.01½	.00½
Goodfish	1	....	....	.21½	.18	.21	38850	.78	.15½	.25	.17
Graham	1	....	....	.36	.23	.24½	240250	.45	.18	.50	.23
Grandview	50c.	....	....	.66	.59½	.60	451700	.87	.30	1.00	.54½
Granada	1	....	....	.28	.23	.24	97050	.35½	.16½	.34	.20
Grover Daley	1	....	....	.04	.03	.03	37600	.15	.02½	.05	.02
Hillcrest, c.	100	6	8.57	....	....	....	....	75.00	65.00	70.00	70.00
Hillcrest, p.	100	7	7.77	....	....	....	....	91.00	85.00	90.00	88.25
Hilltop	1	....	....	.06	.05	.05½	28100	.23½	.03½	.07	.03
Hollinger	5	65c.	....	8.70	8.00	8.30	5915	18.10	7.00	10.00	8.00
Howey Gold	1	....	....	1.44	1.25	1.38	180450	1.91	.61	1.46	1.05
Hudson	None	....	....	22.00	21.40	21.70	11640	23.25	16.00	23.00	20.00
Indian	1	....	....	.05	.05	.05	2000	.15	.04½	.10	.05
Int. Nickel	None	....	....	66.87	60.00	63.50	274151	45.00	31.25	73.00	46.00
Jackson M.	1	....	....	.13	.12	.13	52700	1.02	.17	.40	.05
Keeley	1	....	....	.50	.47	.47	4140	.85	.37½	.62	.34
Keora M.	1	....	....	.02	.01½	.02	2000	.05	.01½	.02	.01
Kirk. Hunt.	1	....	....	.05	.02	.02	156800	.26	.03	.06	.02
Kirk. Lake	1	....	....	1.60	1.35	1.60	34541	2.75	1.05	1.92	1.35
Kirk. Pre.	1	....	....	.17	.08	.10	38800	.40	.10	.19	.08
Koot. Flor.	20c.	....	....	.21½	.18½	.21	72050	.47	.15	.30	.18½
Koot. King	1	....	....	.41	.36½	.39½	66550	.67	.24	.51	.32½
La Rose	1	....	....	....	....	....	....	.08⅜	.03	....	....
Lake Shore	1	f0+20c.	4.30	23.50	20.50	23.25	18576	27.70	14.75	23.50	18.75
Lebel Ore	1	....	....	.10	.10	.10	1500	.59	.09½	.14	.10
Lavsl	1	....	....	.10	.07½	.08	60500	.28	.06	.12	.07
Lorrain C.	1	....	....	....	....	....	....	.03	.00½	.03	.00½
Lorrain T.L.	1	....	....	....	....	....	....	.20	.01	.01	.01
Lucky Jim	10c.	....	....	.18	.17	.17	22450	.44	.21½	.28	.17
Malrobic	....	....	....	....	....	....	....	.37½	.29	.15	.15
Mandy	1	....	....	1.50	1.40	1.45	22965	3.50	1.15	1.55	1.20
Macassa	1	....	....	.20	.18	.20	12029	.55½	.16	.30	.18
Malartic	1	....	....	.88	.70	.71	139800	1.85	.70	1.14	.60
Manitoba Basin	....	....	....	.76	.54	.67	1085000	....	....	.76	.41
Marriott	1	....	....	.05½	.04½	.05½	9500	.46	.04	.05½	.04½
McDougall	1	....	....	.65	.60	.61	35900	.74½	.31	.70	.46
McKinley	1	....	....	.25	.25	.25	2500	.21	.15	.25	.20
McIntyre	5	20	4.76	21.00	20.00	21.00	4065	29.00	18.50	24.00	20.00
Millerest	1	....	....	.02	.02	.02	5500	.12	.01½	.03	.01½
Mining Corp.	5	37½c.	....	5.25	4.90	5.25	25860	5.50	2.92	5.50	4.00
Montreal R.	1	....	....	....	....	....	....	.16	.04½	.03½	.02½
Mint Ore	1	....	....	.10	.03	.03	4500	.44	.10	.19	.03
Moss	1	....	....	.60	.60	60	100	.95	.25	.72½	.59
Murphy	1	....	....	.53	.44	.47½	50000	.83	.28	.68	.44
Moffatt Hall	(new)	....	....	.27	.22	.23	11950	....	....	.30	.22
Morton Woolsey	25	....	....	.04½	.03½	.04	98500	.09	.04⅜	.07	.03½
Nat. Silver	50c.	....	....	....	....	....	....	.20½	.12	.21	.20½
Newbec	1	....	....	.40	.38	.39½	119450	.69	.24½	.47	.30
Night Hawk	1	....	....	.05½	.05	.05½	11000	.10	.05	.05½	.05
Nipissing	5	6	10.00	3.05	3.00	3.00	1005	6.20	2.50	3.90	3.00
Noble Five	50c.	....	....	.75	.69	.69	128300	.53	.33	.82	.56
Noranda	None	....	....	63.75	60.75	62.00	46901	76.50	17.00	70.00	69.00
Do Rights	....	....	....	.75	.60	.70	9801	....	....	.75	.60
Nor. Canada	1	....	....	.85	.75	.85	5700	.88	.60	1.05	.75
Old Colony	....	....	....	.60	.53	.55	57730	....	....	.68	.47½
Osisko	....	....	....	.57	.55	.57	5100	.75	.35	.60	.45
Oregon	50c.	....	....	.80	.65	.72	115450	....	....	1.38	.65
Picard	1	....	....	.04	.03	.03	168000	.77	.00½	.10	.01
Pawnee Kirk	1	....	....	.06	.05	.06	37500	.80	.05	.07	.04½
Pend Ore	1	....	....	14.50	12.90	13.25	34255	25.50	8.00	17.00	10.00
P.L. Cobalt	1	....	....	.22	.20	.22	900	.30	.06	.26½	.19
Porc. Crown	1	....	....	.03	.02½	.02½	6000	.08	.01	.03½	.02
Pioneer	1	....	....	.45	.41	....	46350	.68	.31	.45	.33
Pioneer Gold	1	....	....	1.60	1.55	1.55	850	2.00	1.70	1.65	1.50
Potter Doal	None	....	....	.03	.02½	.03	30300	.22	.01¼	.07	.01½
Premier Border	....	....	....	.50	.45	.45	3700	....	....	.50	.40
Premier Gold	1	24c.	12.30	2.03	1.86	1.95	39100	3.50	2.15	2.35	1.86
Preston	1	....	....	....	....	....	....	.05	.01½	.03	.02
Porter Idaho	50c.	....	....	.63	.58	.59	17800	.88	.48	.82	.58
Reeves McD.	None	....	....	4.15	3.40	3.60	91875	1.25	1.25	4.50	1.25
Ribago	1	....	....	.04	.02½	.02½	11100	.25	.02	.05	.02½
Rubec	1	....	....	....	....	....	....	.54½	.04	.06½	.06
R. Montbray	....	....	....	.03	.02½	.02½	3000	.32	.05	.06	.02
Rhodesian	....	....	....	17.00	17.00	17.00	100	....	....	19.25	16.50
Ruth Hope	1	....	....	.48	.44	.44½	57100	.71	.44	.73	.44
Rufus Argenta	1	....	....	.39	.35½	.36½	51800	.37	.14	.57	.29
Silverado	1	....	....	1.20	1.05	1.10	4865	.80	.75	1.38	.95½
Silversmith	20c.	....	....	....	....	....	....	.23	.08	.15	.13
Slocan King	20c.	....	....	....	....	....	....	.11	.05	.09	.08
Slocan Rambler	25c.	....	....	.23	.19	.19	13500	.20½	.16	.33	.10
San Antonio	None	....	....	.17	.14	.14	19800	.57½	.18	.26½	.12½
Siscoe	1	....	....	1.38	1.24	1.29	161755	.95	.15	1.65	.89
Snowflake	50c.	....	....	.33	.28	.28	23450	1.35	.25	.42	.28
Stadacona	None	....	....	.14	.12½	.14	59000	.21½	.07	.15½	.08
St. Anthony	1	....	....	.82	.80	.82	73450	.75	.32	.93	.45
Sudbury M	1	....	....	.08	.06	.06½	32600	.33½	.01½	.08	.01½
Sylvanite	1	....	....	2.15	2.03	2.15	4650	3.90	1.95	2.55	2.03
Sherritt G.	1	....	....	9.00	8.50	8.80	150565	8.45	5.45	9.65	6.50
Sud. Basin	None	....	....	13.75	11.40	11.40	265385	12.00	5.15	13.75	8.25
Sud. Contact	1	....	....	.07	.06	.06	25060	.50	.05½	.10½	.04
Sunloch	1	....	....	4.00	3.25	3.30	3764	6.50	1.95	4.50	3.25
Tashota	....	....	....	.18	.16	.18	4000	.37	.12	.24	.15
Thom. Cad'c.	1	....	....	.29	.26	.27	13500	1.06	.22	.50	.25
Topley	50c.	....	....	.45	.40	.40	129500	.65	.13	.82	.40
Teck Hughes	1	60c.	6.08	9.80	8.85	9.70	85683	11.60	7.50	9.90	8.65
Telluride	1	....	....	....	....	....	....	.58	.20	.27	.26
Toric	5	....	....	2.00	1.00	1.25	3300	3.50	2.00	2.50	1.00
Tough Oakes	1	....	....	.05½	.04½	.05	19200	.79	.07	.10½	.04
Towagmac	1	....	....	2.90	2.40	2.55	11000	4.75	2.25	3.85	2.40
Treadwell Y	1	....	....	16.00	11.60	16.00	5647	32.00	10.00	16.00	10.00
Ventures	None	....	....	14.50	11.50	11.85	35500	....	....	14.50	11.50
Vickers	1	....	....	....	....	....	....	1.25	.60	.80	.50
Vipond	1	....	....	1.20	1.10	1.18	94076	.99	.39	1.26	.83
Waite Ackerman	....	....	....	....	....	....	....	2.75	2.50	2.75	2.35
Wakenda	1	....	....	....	....	....	....	....	....	....	....
West D. Lake	1	....	....	.07	.06	.06½	28238	.17½	.07	.10	.06
Wright Har.	None	....	....	2.51	2.02	2.50	250905	6.80	1.40	2.95	1.45
Windfall R.	None	....	....	.09	.07	.08	40100	.25	.02½	.12	.05
Whitewater	1	....	....	1.25	1.00	1.24	64000	2.85	1.05	1.48	1.00
Woodbine	None	....	....	.05	.03½	.04½	115100	.46	.03½	.07	.02½
CALGARY OIL STOCKS											
Acme	....	....	....	.83	.47	.80	4240	.30	.17	.83	.33
Advance	1	....	....	1.15	.85	1.15	9500	.95	.25	1.15	.54½
Alta. Pac.	1	....	....	1.85	.95	1.70	251924	.81	.30	1.85	.58
Black Dia.	1	....	....	.32	.27	.32	9340	.35	.12	.32	.14
Brit. Dom.	1	....	....	.81	.64	.80	15330	.75	.25	.81	.55½
Calmont Treas.	1	....	....	1.10	.90	1.10	9715	2.10	.45	1.10	.64
Dalhousie	None	....	....	2.50	1.75	2.40	33098	4.25	1.50	2.50	1.60
Dallas	....	....	....	.50	.39	.50	2501	.50	.10	.50	.20
Devenish	None	....	....	.55	.40	.55	12255	.75	.25	.55	.37
East Crest	1	....	....	2.00	2.00	2.00	175	....	....	2.00	1.25
Great West	1	....	....	....	....	....	....	.34	.10	.10	.10
Freehold	....	....	....	1.50	1

Featuring the Grain Trade of Canada

THIRD SECTION

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THIRD SECTION

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Canada's Grain Marketing Machinery High in Efficiency

World Buyers of Grain Have Their Ideas of What They Want, and Canada Must Make Its Product Meet Their Needs—Customer is Determining Factor in Successful Marketing of Wheat

By PROF. JAMES E. BOYLE

I. INTRODUCTORY

CANADA is a country of vast virgin resources. The United States is sometimes spoken of as the richest country in the world, due to the immense progress of both agriculture and industry in that country. The fact is, however, that Canada is a country of larger area, and of far greater wealth in natural resources per capita. With a balanced development of Canadian resources, coupled with an equally balanced growth of those two great arteries of economic life—transportation and banking—this country is destined to be the wealthiest country in the world. Already her exports per capita have a value four times those of the United States.

The virgin resources of Canada are made up of her water power, her coal, her mines, and minerals, her forests, her fisheries, her wild game and fur bearing animals, and her soils. The products of agriculture, however, far exceed those of any other industry in value. And of all the agricultural crops, wheat is one of overshadowing importance, from the standpoint of its money value. The prairie provinces of Canada constitute a new agricultural empire, still in the one crop stage typical of semi-exploited areas in the extractive stage of development. The one crop system of the Prairie Provinces gives to Canadian wheat an additional and tremendous importance to the wheat growers of this new country.

Natural Difficulties of Farmer

There are many natural difficulties in the way of the Canadian wheat farmer. He is located five thousand miles from his chief market. This is his first great handicap. This natural handicap makes it all the more necessary that the channels of trade be kept open and free from all trade abuses, and that every modern scientific and technical device that can be invented or discovered be put at the service of the grain farmer. In addition to his long distance from market, this farmer is facing another natural handicap; living north of the 49th parallel of latitude, he may and often does have early frosts, when the wheat is still in the milk stage; he may, and often does have summers which are too dry or too wet; he may have hail or rust or smut or weeds or hybrid wheat or undesirable mixture of wheat varieties and classes, or other grains not easily separable mixed in his wheat such as barley, ergoty rye, etc.

Compensating Natural Advantages

On the other hand the Canadian farmer has certain natural advantages which go far to offset these natural disadvantages. His hard spring wheats are, most of them, of a high quality and are much sought after by the foreign millers. Canada's competitors are the wheats of Australia, Argentine, and the hard winter and Pacific white wheats of the United States, and the Karachi wheat of India. These wheats all meet in competition in the markets of London, Liverpool, and the continent. But the No. 1, No. 2 and No. 3 northern wheats of Canada hold their place at the top of the list, or near the top of the list in competition with all these other wheats.

The Canadian farmer has the further advantage of large yield per acre (compared with other new countries), and low cost of production. He has the further advantage of the most modern farm implements in the world, and the most modern and scientific technical equipment for the transportation, storage, cleaning, and handling of his wheat from the local elevator to the sea-going vessel. Ample liquid credit is also provided by means of the various forms of grain paper.

When the farmer of Canada balances his advantages against his disadvantages he realizes what an important thing it is for him and his country to have a good grain marketing system. What is meant by a good grain marketing system for Canada will be made clear, it is hoped, by the analysis and discussion that follows:—

Consumer Most Important Factor in Farmer's Marketing Methods

There are certain marketing principles which are so firmly established as to have the binding force of economic law. Marketing is usually defined as getting the products from the producer to the consumer. There are three parties interested in the marketing process, namely, the consumer, the producer, and the middleman, and of these three the consumer is the most important. In the end, the consumer is the only market the farmer has, and the satisfied consumer is the best market.

The farmer unfortunately has been marketing "wrong end to." He has thought of himself as producing food which the consumer must of necessity buy and eat or perish of hunger. But the consumer has so many alternatives and choices that the market is a "buyer's market" and not a "seller's market." In other words the farmer ought to think of his job as that of producing the commodity the consumer wants, and in such quantity and quality as the consumer wants. The consumer is the principal, and the farmer is his agent. When the marketing process is viewed from this standpoint, it is seen that the consumer is the most important of the three parties involved in marketing; the farmer is the second most important; and the so-called middleman is the least important of the three.

The middleman system is always changing to meet new conditions, and is sure to keep on changing to meet the future developments in both consumption and production. Food habits change. Production methods change. Shifts in agricultural production have been frequent in the past, and doubtless will continue to be frequent in the future. Some of these shifts have been forced on the farmer; some he has made voluntarily. Shifts in agricultural production in the end must and will conform to the consumer demand, to what the consumer votes for by his purchases. For we are living in an age of commercial agriculture, an agriculture, that is, which sells its products on the market. And the consumer is the market. The consumers may seem to the farmer to be a silent, passive, inert mass. But, to repeat, the consumer is the market, and in his hand rests the final power of giving or withholding patronage, and so of making or breaking any industry.

The marketing of Canada's grain will be considered from the three standpoints, consumption, production, and some of the middleman's services.

Three Quarters of Our Wheat Must be Sold in Foreign Lands

II. CONSUMPTION

Who are the consumers of Canadian wheat? What do they want and when do they want it? An inquiry must be made into the quantity and quality of wheat bought by the consumers, and the purpose for which this wheat is bought. Obviously, the main purpose of wheat is to make bread. Most of the Canadian wheat, seventy-five per cent of it in fact, is sold overseas. Foreign buyers are therefore the chief consumers, and will continue to be so for a long time. As stated before, they have their choice among many different wheats from the two hemispheres and the six continents. Their food habits, particularly their bread habits, influence their choice of wheats, and their choice of wheats affects the demand, and so the price of Canadian wheat.

At this point attention will be called to the consumer's changing bread habits.

Many Do Not Know Wheat Bread

The bread problem is the age old problem of the world. Half of the people in the world have not tasted or even seen our wheaten loaf. To pass from a diet of millet seed or rice or rye or corn to the white loaf of bread is considered a mark of a higher standard of living. The early settlers in the United States, for instance, depended for their bread grain at first entirely on Indian corn (maize). Wheat was considered the more refined food. Even yet in some sections corn forms the more important bread grain. The per capita consumption of wheat varies remarkably from State to State, the variation being from a low of 3.6 bushels in the four southern States of Georgia, Alabama, Mississippi and Arkansas, to a high of 7.2 bushels in New Mexico. That is a range of 100 per cent. The Old South still sticks to corn bread.

Canadians Greatest Wheat Consumers

In other parts of the world, the variations in bread consumption are extremely large. The average per capita consumption of wheat for the ten years before the world war for the various countries was as follows:

Annual Per Capita Consumption of Wheat by Countries, Averaged for the Ten Years, 1904-05 to 1913-14 In Bushels

Germany	3.2	Russia in Europe	2.3
Belgium	8.4	Rumania	1.8
Bulgaria	4.7	Canada	9.9
Denmark	3.8	United States	5.5
Spain	5.8	India	0.9
France	8.0	Japan	0.5
Great Britain and Ireland	6.0	Algeria	5.2
Italy	5.9	Tunis	3.7
Norway	1.5	Egypt	1.6
Netherlands	4.2	Argentina	5.9
Serbia	2.2	Chili	4.0
Sweden	2.5	Uruguay	3.9
Switzerland	3.1	Australia	5.8
Austria-Hungary	3.3	New Zealand	6.7
Hungary	4.0	China	..

A study of the above table shows some interesting possibilities of shifts in wheat consumption and so in wheat production. Taking an extreme case—if India consumed as much wheat per capita as France, India alone would consume the whole world's wheat crop in its present volume. On the other hand, if the countries of western Europe each consumed as little wheat per capita as Norway, then Canada's wheat crop alone would be far too large to meet all the world's import requirements. Germany and the Scandinavian countries still stick to rye bread.

As long, however, as the wheat-breadeaters of the world continue to have incomes enough to support the "white bread" standard of living, and so long as plenty of wheat at a reasonable price is available for making good bread, we may look for an increase in the per capita consumption of wheat in those countries of low consumption.

The value of wheat depends almost entirely upon its milling and baking quality, which can be accurately determined only by actual milling and baking tests. Since the main purpose of wheat is to make bread, the question may be asked, what constitutes good bread, and what kinds of wheat produce the desired bread? As every traveller knows, bread in Italy and France is not like bread in England or Scotland; neither is the bread in Canada like the bread in the United States. Bread must appeal to the eye as well as to the palate, and hence its appearance as well as its taste is important. The head of one of the large baking companies in Glasgow described the flour which makes good bread in these words:

"We want first, color—a creamy whiteness without bleaching. Bleaching destroys the bloom. Second, strength—high gluten content with that quality we describe as distensibility. It will stretch and not break or crack. It has high absorption. I want it to take up water, and I want my bread to keep, not get stale quickly. Third; bloom or silky appearance and touch. Fourth; flavor and aroma—free from bad odors, nutty when baked. Fifth; starch, fine quality, not easily described but easily detected. Sixth; moisture content low. I want to add the moisture. It is very important that the deliveries of the same brand of flour be uniform."

A good loaf of bread in the Old Country according to the findings of Dean W. J. Rutherford, must have seven qualities:

(1) Volume, length and height with perfect shape;

(2) Color; whiteness of crumb with bloom;

(3) Porosity;

(4) Texture firm but not too solid;

(5) Elasticity; it should retain or regain its shape under pressure and be relatively light;

(6) Crust; reddish brown tint or clear yellowish red. It must not be opaque or leathery nor flake off;

(7) Flavor; sweet to the smell and taste. Strongest aroma given off when loaf is fresh from the oven.

Other Tests of Good Bread

There are other and more minute tests of good bread. The color and texture of the crumb must be right. The texture requirements are, small cells, uniform in size, thin walled; walls should be tender but not easily crumbled, and the bread should be soft to the touch and possess resiliency.

Simple Chemical Tests Show if Flour Will Make Good Bread

The three simple chemical tests of wheat for making good flour for making good bread are these:

(1) The five proteins of the wheat, of which one is called gluten. Gluten is a gluey substance with power to stretch, to distend without breaking. It gives the flour its "strength." The total crude protein in the wheat, however, does not show baking strength; it is the quality of the gluten which shows that. Good gluten has coherence and tenacity when subject to reasonable stretching force.

(2) Acidity of flour. The acidity is low in choice flours. Flour made from unsound wheat or wheat containing noticeable quantities of inseparable foreign material has a higher acid content.

(3) Ash. The higher grades of flour usually have a low ash content. The more ash there is in wheat, the less flour there is. The chemical test of wheat is not sufficient in itself to show milling and baking qualities; actual milling and baking tests must be made. For this reason chemical laboratories giving the amount of protein or ash in wheat are not final indications of the value of the wheat. All large modern mills now have not only their chemical laboratories, but a small model bakery for final check on the baking values of their flours.

The Bloom and the Protein

The bloom is a desirable quality of bread; protein is a desirable quality in wheat. But there is no connection between the two. The bloom and the color of the bread come from the flour. Strong flours from hard spring wheats do not give the bloom and creamy whiteness. These flours tend to produce a marble whiteness much in demand in Canada and the United States, but not in demand in other lands.

Bloom or color in bread is produced by the softer wheats of Australia, the Pacific wheats of America, wheats of Chili, of England, and of Scotland, and the Danube wheats. To get both strength and color in the flours in Europe, blending of wheats is required. The strong wheat—wheat with strong gluten—makes flour the dough of which will absorb much water. When the dough is baked much of this water remains in it. The baker finds it to his advantage to sell as much water in this way as he can, as long as the quality of his bread remains uniformly good and satisfactory to his customers. He aims to produce 380 pounds of bread from 280 pounds of flour, after adding the water, salt, yeast, etc. He can do this if he has strong gluten, otherwise not. The European bread standards are more easily met than those of Canada and the United States, and therefore the European millers and bakers are not yet ready to pay high premiums for imported wheats of high protein content. The Europeans like the taste of European breads baked from flours representing the cheapest, reasonable mixtures and blends of imported and home grown wheats. To their billion bushels of home grown wheat they add a half billion bushels of imported wheats.

Must Maintain High Reputation

Millers and bakers of the United Kingdom and Europe still refer to Canadian wheat as "Manitoba" wheat. This term dates back from forty or fifty years to the time when the hard spring wheat—Fife wheat—from the virgin prairies of Manitoba began to arrive in Europe. The name is now applied to wheat from the three prairie provinces, whether Fife, Marquis, or certain other wheats. It is obviously important to the Canadian wheat growers that they back up this good reputation and buyer's confidence by maintaining as far as possible both a high and a uniform standard of quality for "Manitoba" wheat.

We may summarize this discussion thus far by saying that the commercial value of wheat depends almost entirely upon its milling and baking qualities. Millers and bakers desire good quality and uniform quality. At this point a more detailed examination must be given to the miller's demand for wheat.

Millers Require High Quality Wheat to Meet Demand for Good Flour

Mention has been made of the milling and baking quality of wheat. The miller is the first consumer of wheat, because his sole business is to buy and to process grain. In this discussion of wheat marketing, the bread eater, the final consumer, is considered the most important factor, because his influence, although slow to register itself on the wheat grower, is overruling in the end. The baker, the intermediary between flour miller and consumer, must in the end bow to the consumer's wishes.

The miller as a buyer of wheat and a manufacturer of human food and animal feed, is a good experimenter. He is constantly varying the by-products of his mill to meet the market. This is the same as saying he is always attempting to forecast and estimate consumer demand, and to shape his milling policies accordingly. Thus in the Canadian crop year 1927-28 (an abnormal year because of wet harvests) flour prices were unusually low, but mill feeds from the same wheats were exceptionally high in both North America and Europe. But so much tough and damp wheat on the market greatly increased conversion costs for the millers.

Europe prefers to import wheat rather than flour, for then the by-products, the so-called offal, are available for European buyers. Europe is also anxious to develop "home industries" including flour milling. In the crop year 1927-28, the Canadian miller ran at 52 per cent of full capacity; the United States miller at 55 per cent. The amount of wheat required to produce a barrel of flour was the highest in five years. Fifty-two per cent of Canada's flour was exported. In recent years there has been a tendency for these flour exports to decline. A market for some low grade flour is opening in China. Japan, however, prefers to buy wheat and do the milling in Japan. So much for the general situation.

Flour Mill Produces Many Products

The products of a flour mill, as a layman sees the industry, are three in number, flour, shorts, and bran. But the modern flour mill is producing and selling a much more complicated list of products than that. The five principal products are flour, shorts, bran, middlings, and screenings. The screenings consists in part of wild oats and other grains and seeds fit for animal feed; in part of refuse material, such as the black weed seeds. The blackweed seeds are not only unfit for animal consumption, but are positively harmful to livestock, and therefore should be used for fuel. The flour from a modern mill consists of various kinds, and qualities, depending on the market the mill is producing for. A modern mill usually produces at least three types of flour, the patent, the bakers, and the clear. These grades are all subdivided into subgrades such as first patent, first bakers, patent, first clear, second clear, and the various inferior grades such as red dog, cut off, straight, and so on. For instance if a straight No. 6 wheat is milled into flour, the low grade flour resulting would be a "straight" with a limited market such as China. Here it would be consumed not as bread, but as dough balls.

As to the grades of wheat actually milled in Canada, the following testimony was given under oath before the Royal Grain Inquiry Commission in 1924.

W. J. Breen, western general manager, Lake of the

(Continued on page 27)

World Authority on Problems of Grain Marketing Makes Comprehensive Study of Canada's Wheat

The article on Canada's grain marketing problems which begins on this page has been written by an independent authority of the highest standing. It is such a comprehensive and careful study of the various phases of wheat that are now live matters of economic and political interest that The Financial Post breaks its rule against long articles and publishes its first 15,000 word article.

Those who have been mystified by the virtual disappearance of No. 1 Northern hard wheat, by the attacks on Canada's grain grading system, or by the discussion on "mixing," will find that this article is a very clear exposition of these and other wheat subjects.

By PROF. JAMES E. BOYLE

Professor James E. Boyle, who has written this article, is one of the world's leading authorities on the grain trade. He is professor of agricultural economics at Cornell University. Recently he spent some time in Winnipeg studying current problems in Canadian grain trading, and the results of his studies appear in this article.

Professor Boyle is a product of a Kansas farm. He studied in the Universities of Nebraska, Kansas and Wisconsin. He taught the first course in the United States in agricultural economics. This was at the University of North Dakota. For eleven years he has been doing similar work at Cornell University, Ithaca, N.Y.

He spent two years as field agent in marketing with the United States Department of Agriculture. He was in charge of field work, investigating the United States grain trade for two years, and spent eighteen months, in the Chicago Board of Trade doing research work. He has visited all the important grain exchanges in Europe.

His writings include several books, including, "Rural Problems in the United States," "Financial History of Kansas," Speculation and the Chicago Board of Trade," "Agricultural Economics," "Marketing of Agricultural Products," "Co-operation in the United States," and "Farm Relief." He has written numerous pamphlets, magazine articles, etc., on economic subjects, particularly the grain trade.

Great Authority on Subject of Marketing Agricultural Products Finds Only Two Places Where He Would Recommend Changes to Improve System of Producing Grain and Selling It in World Markets

Wheat Bread Not Used Everywhere

"Half of the people in the world have not tasted or even seen our wheaten loaf . . . If India consumed as much wheat per capita as France, India alone would consume almost the whole world's wheat crop in its present volume."

Fewer and Better Varieties of Seed Wheat Needed; Inspectors Should be Exalted to Professional Plane

Two chief recommendations are made by Prof. Boyle in concluding this article. These are:

"1. Production. The breeding of seed wheat should be on the same plane with the breeding of livestock. Fewer and better breeds of wheat are needed. Wheat production should have in mind one objective, namely, consumer demand, and the three factors which qualify or disqualify wheat in meeting this demand, namely, Cleanness, Quality, Condition.

"2. Marketing. It is assumed that the private elevator with its mixing is here to stay as long as wheat production is what it is. The suggestion is made, therefore, that the keystone to the arch of the marketing problem is now the inspection and grading of the grain. Canada's grain has been standardized under a federal law known as the Grain Act of 1912. The standards are internationally known, accepted and approved. The integrity of these standards and grades should be most jealously safeguarded. The best way to continue to guarantee the integrity of these grades is to exalt and dignify the professional job of the grain inspector."

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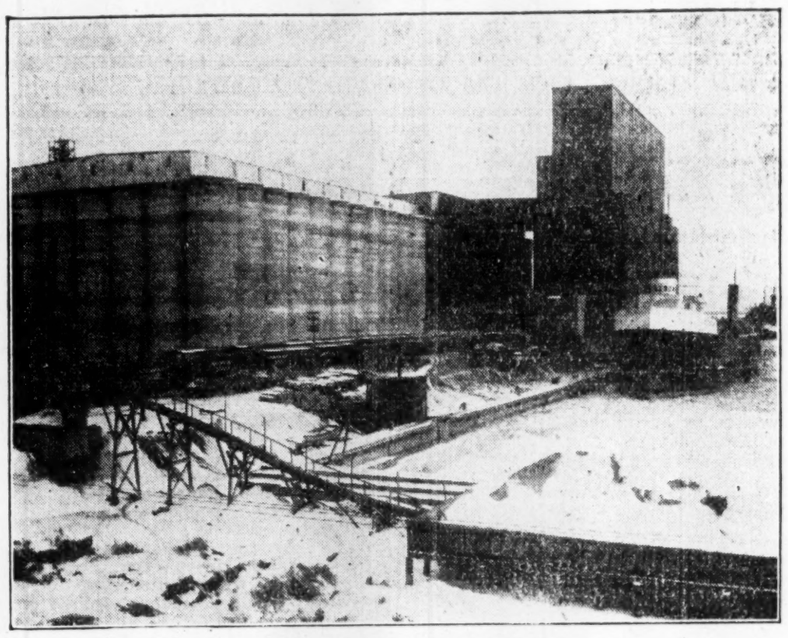

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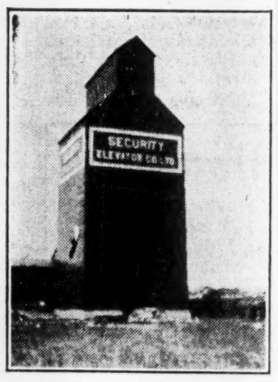

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MIXING OF GRAIN ESSENTIAL TO INSURE SUCCESSFUL SALE

Grain Machinery Highly Efficient

(Continued from page 25)

Woods Milling Co. Total wheat milled in 1923, 14,000,000 used, made up as follows:

57%	No. 1,
25%	No. 2,
16%	No. 3,
1.3 %	No. 4,
.6%	No. 5.
100%	

The 1.9% below No. 3 was made as follows:

Tough or rejected No. 1	56.6%
Tough or rejected No. 2	25.2%
Tough or rejected No. 3	16.3%
Tough or rejected No. 4	1.3%
Tough or rejected No. 5	.6%

J. W. Horn, assistant general manager, Western Canada Flour Mills. In 18 months 15,366,000 bushels of wheat used made up as follows:

73.9%	of No. 1
14.7%	of No. 2
9.2%	of No. 3
2.2%	of No. 4,
	of No. 5
	of No. 6
100 %	

Said Mr. Horn "You could make a fairly decent looking flour out of 4, 5 and 6, but as a commercial proposition it would be suicide."

Will Not Purchase Smutty Wheat

R. R. Dobell, Western Manager, Ogilvie Flour Mills. Grades of wheat ground in the year ending August 31, 1923.

38.26%	of No. 1
21.3 %	of No. 2
39.89%	of No. 3
.54%	of No. 4

Mr. Dobell testified as to the value of screenings at the mill, saying that the 1923 crop of Manitoba wheat came to the mill badly rusted; the screenings were 60% pure wheat, that is, small shrivelled kernels or broken kernels; he was forbidden by law to mix these mill screenings with bran and shorts although they add greatly to the feeding value of the feedstuffs; consequently these screenings are exported so mixed as feedstuffs.

Further testimony was taken concerning smutty wheat and condemned wheat. Two milling companies testified as follows: "We do not handle smutty wheat. Our agents have positive instructions not to allow smutty wheat to be taken into our elevators, unless absolutely forced to do so, and then it must be handled special bin and shipped to lake terminals."

"On no account will our mill superintendents allow condemned wheat to be unloaded at our mills."

Grain Standards Help Canada in Selling Its Wheat Abroad

Canada and the United States are unique among all countries of the world in having federal standards for wheat. This gives them an advantage in selling abroad on the basis of grades rather than samples, as will be more fully explained under the general subject of Marketing, later.

In arriving at the grain standards in the two countries, those in charge of the work first divided the wheats into general classes, such as winter wheats, spring wheats, durum wheats, and so on, and in the second place they divided the various classes of wheats into grades.

Three Factors in Grading

Grades take into consideration three things, cleanness, quality and condition. Some of the factors which enter into grades must of course refer to the milling quality of the grain; some of course to the baking quality; but some must refer to the keeping quality of the grain in storage or transportation. These are very important facts to keep in mind, for they help to explain certain commercial practices now in general use for disposing of some low grade grains which can be scientifically conditioned, and built up into higher grades. Grain that is too damp, for instance, cannot be stored, and it will take a lower grade accordingly. But by scientifically conditioning this grain, that is, by heating it, drying it and cooling it, it can be built up into a higher grade with the milling qualities indicated by its new grade. In such a case it is usually blended or mixed with wheat of this new grade. Wheat may be of a good quality but in a poor condition, and therefore takes a low grade. Thus, in the year 1916 a wave of hot weather hit the wheat fields when wheat was in the milk, shrivelling up the kernels. This wheat was high in gluten and of good quality, but its shrivelled condition made it more difficult to mill and reduced the yield of flour, and increased the amount of bran. This condition of this crop threw it into the lower grades. In the United States this same spring wheat crop fell below No. 5. Since the United States has no No. 6, a designation was manufactured for this wheat, namely, "D Feed Wheat." This wheat made good flour, but not very much flour, hence its price was comparatively low.

Cleanness and Condition Count

To pay a good price for wheat, the miller needs to have confidence not only in the quality of the wheat but also in its condition, and in its cleanness. Cleanness means that the wheat is clean and free from those noxious weed seeds and grains which constitute "inseparable materials" and which do injure either the appearance or the taste of the flour or both.

Grain standards and grain grades have been established in Canada and in the United States primarily for commercial inspection purposes. They have another purpose which is equally important, that is, to aid in promoting the breeding, introduction and growing of the most suitable kinds of wheat.

Wheats That Get Highest Grades

To summarize. Wheats which are entitled to a high grade and a top price are those classes of wheat which have cleanness, quality and condition. They are suitable for milling; they are suitable for baking; and they have keeping quality in storage or transportation. In dividing wheat into the numerical grades, No. 1, No. 2, No. 3, and so on, certain definite limitations and requirements must be met, of which these are the principal ones; test weight per bushel, moisture content, total percentage of damaged kernels, heat damaged kernels, total percentage of inseparable foreign material, total amount of wheat of other classes, wheats of special classes, foreign odors, temperature, presence of live insects injurious to stored grain, smut, and distinctly low quality.

What the Market Wants

The market which absorbs most of the Canadian wheat is, as has been stated, the foreign market. The quantity and quality of Canadian wheat which this market wants is best indicated by the amount and grade of Canadian wheat which this market actually buys from year to year. These consumptive demands of the foreign market can be seen from the following statistical statements:

Of the 1927 crop of 440,000,000 bushels, there was exported 288,567,390 bushels as wheat, and 9,865,754 barrels of flour, equivalent to 41,395,893 bushels of wheat, or a grand total of 332,963,283 bushels of wheat, or about 75 per cent. of the crop.

Britain Biggest Customer For Our Wheat

The thirteen largest buyers of this wheat were the following:

Chief Foreign Buyers of Canadian Wheat—1927-28 Crop

	Bushels
1. United Kingdom	201,732,699
2. Netherlands	18,514,583
3. Germany	12,503,521
4. Belgium	12,223,681
5. Japan	10,435,913
6. United States	8,432,330
7. Italy	7,933,140
8. Greece	3,887,173
9. France	3,351,270
10. Sweden	2,340,045
11. China	1,262,687
12. Norway	1,178,627
13. Irish Free State	1,086,827

These thirteen countries took 284,882,496 bushels of which amount the United Kingdom took 71 per cent. To merchandise the remaining 3,684,894 bushels, it was necessary to find outlets in the following 21 countries: South Africa, Denmark, Korea, Mexico, Nicaragua, Portugal, Russia, Spain, Cuba, Columbia, Chili, Peru, Egypt, Finland, French West Indies, Hayti, Algeria, and Tunis, Morocco, Mozambique, Azores, Turkey.

Into Highways and Byways

Flour during the crop year of 1927-28 was sold in all the 34 countries listed above, with the exception of Turkey, and also in the 17 additional places: Aden, Austria, Bolivia, Brazil, Czechoslovakia, Esthonia, French Guiana, Dutch Guiana, Dutch West Indies, Panama, Palestine, Poland, Syria, Venezuela, British West Africa, British Guiana, British West Indies. In other words wheat was sold in 34 countries; flour in 51 countries. With the greatly increased production of Canadian wheat since 1922 has come this great expansion of sales into all the highways and byways of the world's markets.

No two years are alike in the grain trade. Men with years of experience in producing or merchandising grain say, "There are no normal years in wheat production and marketing." Thus, for instance, the year 1920 was as near a normal year as any. The crop was 263,000,000 bushels. But the buyers of this wheat were not the same as the buyers of the 1927 crop, illustrating the fact that big shifts in demand, big shifts in buying habits occur in the short space of seven years.

Chief Buyers of the 1920 Crop

	Bushels
1. United States	49,213,551
2. United Kingdom	34,754,356
3. Italy	20,109,240
4. Belgium	10,659,334
Thirteen Other Countries	21,337,304
Total Seventeen Countries	136,173,785

Markets Shift Every Year

During this same year flour was shipped to 18 countries, the United Kingdom taking 53 per cent of it. Of the 1927 flour export, the United Kingdom took but 32 per cent. Who will be the chief buyers of Canadian wheat and flour seven years hence?

It is conservative prophecy that they will not be the same as they were in the year 1927 or 1920. Shifts in demand and shifts in production occur every year, each reacting on the other as cause and effect.

Canada's Wheat in Liverpool

Liverpool is one of the great wheat price barometers of the world, at times the best in the world. The grain exchange there is a wide market. The George Broomhall market reporting service is quite favorably received throughout the world by reason of the nature, the speed, the amount, and the reliability of its price information. Liverpool should not be looked on as making world wheat prices but merely as registering prices. Its function may be compared to that of the barometer, not to make weather but to report it. It is interesting to compare Canadian wheat prices with other wheat prices on the Liverpool market and on other British markets. Such a comparison, shows clearly that the top grades of Canadian wheat, the No. 1, the No. 2, and the No. 3, stand high in favor on the British market, but that lower grades do not bring the price which competing wheats do.

Low Grades Sell at Low Figure

Selecting days at random representing crops over a period of years, we have the following comparative wheat prices on the British markets:

Jan. 5, 1928 (In cents per bu.)	
London, Argentine Wheat, Rosafe	149
Barusso	150
Liverpool, Canada, No. 3, Nor.	151
Manchester, Canada, No. 2, Nor.	168
No. 3, Nor.	151
Bristol, Canada, No. 6	121
Glasgow, Australia	156
Oct. 1, 1926	
Liverpool, Parcels—	
Canada, No. 1, Nor.	166½
U. S., No. 2 Hard Winter	167
No. 2 Garlicky Red Winter	154½
April 13, 1926	
Liverpool, Australia	184½
U. S. Pacific	178½
Canada No. 1, Nor.	186½
Tough No. 1, Nor.	179½
No. 2, Nor.	180
No. 4, Nor.	169
Manitoba Kiln Dried	127
Chili, choice	177
Nov. 8, 1923	
Liverpool, Australia	144
Canada, No. 1, Nor. Old	149
No. 1, Nor. New	142
U. S. No. 2, Red Winter	138
Argentine, Rosafe	138
India, Choice White Karachi	134
Persia	127
July 1, 1922	
Liverpool, Australia	170
U. S. Red Pacific	167
Canada, No. 1, Nor.	176
No. 3, Nor.	161
Argentine, Rosafe	167
Baril	160
July 7, 1913	
London—Cargoes, Australia	115 to 117
Canada, No. 1, Nor.	116
No. 2, Nor.	112
No. 3, Nor.	108 to 110
No. 4, Nor.	104
Argentine, Baruso	110
India, No. 2 Club Calcutta	110
Choice White Karachi	110

The above statistics show a few of the price ranges in any one day, and the price fluctuations from year to year. These price changes and spreads reflect the crop production and wheat demand conditions of the world.

Grading Most Vital Link in Chain

"The most vital link in the long chain of Canadian wheat marketing is the inspection and grading of the wheat . . . The grain inspector's calling, his profession should be exalted, dignified."

Grading Certificate Accepted Everywhere

"The United States and Canada are the only two countries in the world thus far which have succeeded in standardizing and grading their grain to the extent that they can sell it by telegraph or telephone or cable or wireless on the basis of grade certificate alone."

Wagonload of Wheat Contains Thirteen Million Weed Seeds

III. PRODUCTION

The fundamental problem in wheat marketing is the farmer's problem—how produce the quantity and quality of wheat wanted by the consumer? In this discussion thus far considerable attention has been paid to the needs of the consumers—the foreign buyers of Canadian wheat. We have seen what the consumers want. The next question is, what is the farmer of Canada producing to meet this want? Is he adjusting this production to consumer demand?

There are many ways to test this matter. One of the simplest ways, obviously, is to go to the approximate centre of the great Canadian wheat belt, and there select a sample of wheat which is as typical as can be found; examine it carefully, and note the cleanness, quality, and condition of this sample. Such a test has been made and the results are as stated in the following paragraph:

A Saskatchewan Wheat Sample

Typical Canadian wheat, as far as there is such a thing, comes from the Province of Saskatchewan, and from the more southerly part of this province, for this is nearest the centre of the spring wheat area. The author of this bulletin with the advice and co-operation of the Grain Inspection Department of the Canadian Government, selected a car of wheat for inspection and analysis. The car arrived in Winnipeg, December 31, 1928, from Herbert, Sask., a shipping station on the main line of the Canadian Pacific Railway, west of Moose Jaw, east of Swift Current. Cars of grain heavy in dockage, or with wheat running low in test weights per bushel or with marked defects were all ruled out as being "bad examples." The sample selected was better rather than worse than the average, so as to give the benefit of the doubt to the grower. Therefore a car of No. 3 Northern was selected, weighing 63 pounds to the bushel, and with a two per cent dockage. This is a high test weight, and a low dockage. It is important to note in the light of what follows, that a car with 2 per cent dockage was chosen, rather than 4 or 5 per cent or higher. In other words, this was unusually clean wheat.

What 850 Kernels Showed

The Inspection Department at Winnipeg was asked to make the inspection and also a detailed and complete analysis of a small sample. If the farmer himself will take one handful of his own wheat, he will find that he has about 850 grains of wheat in his hand, weighing one ounce, and containing in addition to the wheat certain foreign materials, easy to clean out and known as dockage, and certain other foreign materials known as inseparable material. In this case under discussion, a one ounce sample was drawn from the tin sample box. The analysis made by one of the Chief Deputy Inspectors showed the following materials in the one ounce sample of the Saskatchewan wheat:

A One-ounce Type Sample of Wheat from Saskatchewan, ex Herbert No. 3 Nor., 2% Dockage, 63 lbs. per bu.

734 Hard vitreous wheat kernels,
91 Green, immature and frosted kernels,
20 Starchy kernels,
2 Kernels of white wheat variety.

847 Total wheat kernels.

Dockage:
3 Pieces of straw from head,
2 Unthrashed kernels,
5 Wild oats,
48 Pieces of broken wheat kernels,
1 Kernel of barley,
229 Small weed seeds, including wild buckwheat, cockle, hare's ear, ball mustard, French weed, blue burr, and pig weed.

Plenty of Noxious Weed Seeds

The first thing to notice in the above unusually clean wheat is that there is one noxious weed seed for every three kernels of sound hard wheat. This same ratio holds true whether it is an ounce of wheat, or a pound, or a wagon load or a car load or a cargo. Obviously, if the consumer is buying this "virgin wheat," just as it "left the farm," he is getting a lot of material which is unfit for either human or animal consumption. Such material not only has no value in itself but it pulls down the value of the grain with which it is so intimately intermingled.

As stated before, 2 per cent dockage is below the average for the spring wheats of Canada. However, if a farmer with a wagon load of wheat of 2 per cent dockage will take his pencil and do a little sum in arithmetic, he will determine the following fact about the weed seeds in his sixty bushel load of wheat:

In one ounce of wheat	229	weed seed
In one lb. of wheat	3,664	weed seed
In one bushel of wheat	219,840	weed seed
In one wagon load of wheat	113,190,400	weed seed

Shows Need for Treatment

The wheat that leaves the farm needs considerable treatment of a technical and scientific kind before its true commercial value can be realized. In the wheat sample under discussion the moisture test was not made, since the wheat was, in the inspector's judgment, in a good condition for storage or transportation. The fact must be borne in mind, however, that much wheat leaving the farm has too much moisture for either storage or ocean transportation. Such wheat needs and receives at the terminals the proper conditioning. This was true of the 1927 crop.

In the one ounce sample above there was one kernel of barley. Barley is inseparable material, and the flour mill buying this wheat will grind the barley with the wheat. One grain per ounce means 960 grains per bushel, enough to have some effect on the color and taste of the flour. There is also in this sample other inseparable material, namely, 22 grains of wheat which is not hard spring wheat. This means that 3 per cent of this wheat is not hard spring wheat, although the buyer is after only the hard variety. The 11 per cent of this wheat which is green, immature, and frosted cannot be entirely separated by the cleaning machine of the terminal elevators or flour mills. As this typical sample clearly shows, the farmer in taking his wheat from the farm to the market is taking not only the wheat which the market wants but a large percentage of material which the buyer does not want and cannot use. Once this mixture of good and bad materials has been produced on the farm and delivered at local shipping stations, it is generally not practicable to make a separation until the terminal is reached, where mass handling saves both time and expense.

"Virgin Wheat" Not Perfect Yet

If "virgin wheat" as it leaves the farm is to have all the virtues which the farmer thinks it has, and if it is to have the cleanness, quality and condition which the buyer wants, there must be some marked improvements and changes in the production of wheat itself.

"Virgin Wheat" Needs Improvement

"If 'virgin wheat' as it leaves the farm is to have all the virtues which the farmer thinks it has, and if it is to have the cleanness, the quality, and condition which the buyer wants, there must be some marked improvements and changes in the production of wheat itself."

13,000,000 Weeds Seeds in Load

"Two per cent dockage is below the average for the spring wheat of Canada. However, if a farmer with a wagon load of wheat of two per cent dockage will take his pencil and do a little sum in arithmetic he will determine that there are 13,190,400 weed seeds in one wagon load of wheat.

"The wheat that leaves the farm needs considerable treatment of a technical and scientific kind before its true commercial value can be realized."

there must be some marked improvement and changes in the production of the wheat itself.

If wheat from other parts of the Prairie Provinces is analyzed, it will show certain variations from the type sample from Saskatchewan; in some sections more rust will be found; in other places more rye, including ergoty rye (a poison); in yet other sections more barley. If the harvest has been a wet one, then there will be more bleached kernels of wheat; if the frost has come too early, there will be more green, immature kernels. And if the wheat land is old land, there will be likely Russian thistle, sow thistle, and many varieties of black weed seed. The problem of producing clean wheat is one of the most serious marketing problems now confronting the Canadian farmer.

Seed Drill Survey

A seed drill survey was conducted in the year 1928 in Manitoba by the Seed Branch of the Dominion Department of Agriculture. Two districts, known as the Carberry and the Carman, were studied. Samples of seed wheat were selected from 148 farms so that a true picture could be secured of what the farmers were planting and producing. Seed wheat is popularly supposed to be "clean" wheat, for it was found that 89% of the farmers have cleaning machinery. Yet the seed wheat in the two districts contained foreign seeds as follows:

	Carberry	Carman
Noxious weed seeds, per lb.	45	19
Other weed seeds	126	116
Other cultivated seeds	67	45
Total per lb.	238	180
Total seed per acre	21,420	16,200

Owing to the great fecundity and tenacity of these weed seeds, a good crop of weeds is produced from the seeds drilled in with the wheat. Some definitions are needed to make clear the kinds of seeds included in the three classes just named. In this Manitoba case, the three classes were as follows:

Noxious Weeds	Other Cultivated Seeds	Other Weed Seeds
Wild mustard	Oats	Lamb's quarter
Sow thistle	Barley	Wild buckwheat
Couch grass	Vetch	American dragonhead
Canadian thistle	Rye	Green foxtail
Cow cockle	Flax	
Ball mustard		
Stick seed		
Hare's ear mustard		
Wild oats		
Stinkweed		
Rag weed		

The grades of wheat produced in the two Manitoba disdricts were as follows:

	Carberry	Carman
No. 1	4.0%	11.5%
No. 2	1.3	4.3
No. 3	17.1	17.1
Rejected	77.6	67.1
	100.	100.

Multiplicity of Grades Adds to Problems of Merchandising

Weed varieties, as above indicated, are being seeded and harvested in ever increasing amounts. An increasing number of wheat varieties are also being seeded and harvested, making more difficult each year the marketing and grading of Canadian grain. Instead of moving towards more simplification, more standardization, as so many lines of successful big business are doing, the Canadian farmers are producing more and more varieties of wheat. The 1927 crop, for instance, represented the following five classes and thirty-six varieties:

Canada's 1927 Wheat Crop
Classes and Varieties

Red Spring Wheat	
Varieties	Bluestem
Marquis	Garnet
Kitchener	Stanley
Ruby	Purcie
Early Triumph	Red Club
Red Robs	Ceres
Early Red Fife	Huron
Red Fife	Preston
Renfrew	Kota
Prelude	Brownhead
Reward	Vermillion
White Spring Wheat	
Varieties	Axminster
Dicklow	Quality
Sonora	Early Bart
White Club	Hard Federation
Hard Winter Wheat	
Variety: Alberta Red Winter	
Soft Winter Wheat	
Variety: Ontario White Winter	
Durum Wheat	
Varieties	Golden Ball (or South African)
Peliss	Kubanka
Mindum	Red
Arnautka	

Mixtures Affect Grade Seriously

There are certain mixtures which affect the grade, the two principal ones being:

(1) Wheat with any other grain;

(2) Wheats themselves—such as Red Spring and White Spring; Red Spring and Amber Durum; Red Spring and Red Durum; Red Spring and Kota. The effect of such mixtures on the grade is to lower the grade. Mills cannot separate these classes and varieties of wheats. If they come from the farm already mixed, grown mixed from mixed seed, then they will remain inseparably mixed till they are ground into flour or feed. This type of mixing is sometimes called blind mixing, for it is done blindly and with no purpose in view; some harm and no benefit results from it.

Canada's 2,623 Grades of Wheat

The mixing of wheat with other classes or varieties of wheat and with certain weed seeds has the effect, as already stated, of changing and lowering the grade. As the Canadian wheat belt is pushed northward into the bush country, and on northward some hundreds of miles north of the 49th parallel, new conditions arise and new weather hazards for the wheat crop. These new conditions and new hazards cause variations in the quality, the conditions, or the cleanness of the wheat, and so affect its grade. Canada has now come to have by far the greatest number of wheat grades of any country in the world, the number being over twenty times those in the United States. To illustrate:

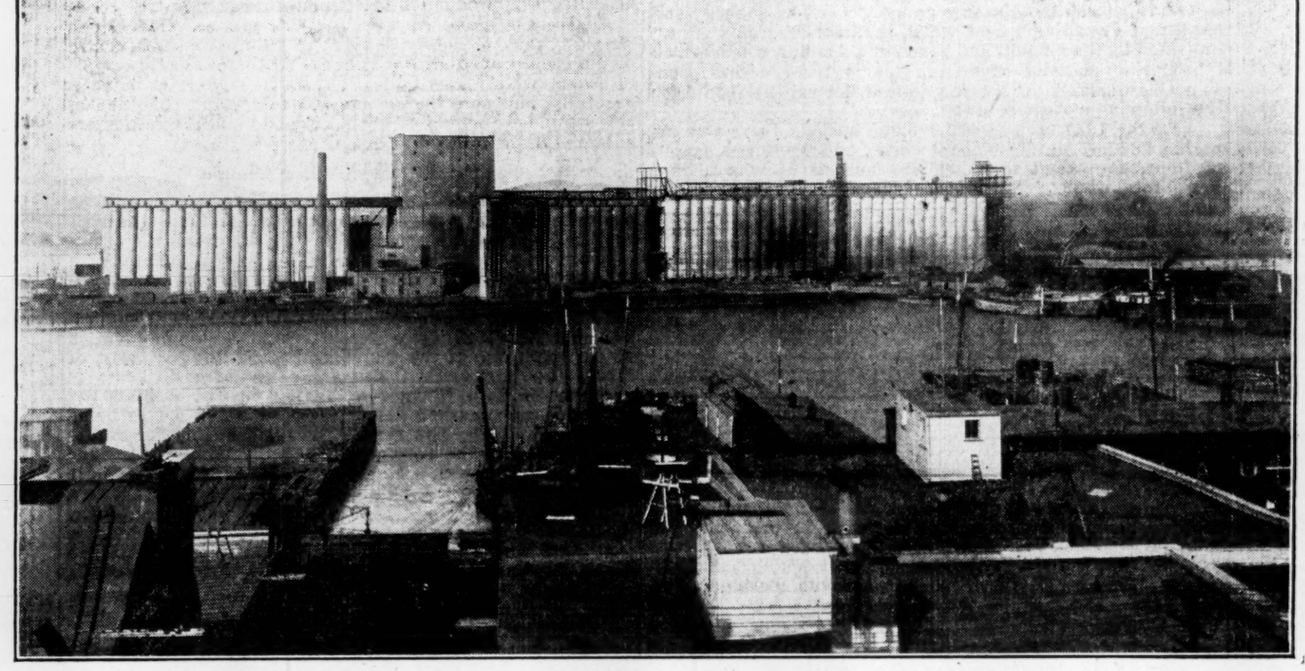
The Central Selling Agency of the Canadian Wheat Pools found it necessary, in paying for the wheat deliveries of the 1927 crop, to keep accounts with and make payments for 216 grades of wheat. The highest payment (gross payment) was made for No. 1 Northern $1.42¼ per bu. The lowest gross payment was for a mixed low condition wheat graded as Damp Smutty Red and White Spring wheat and Wild Oats, $0.58¼ per bu. Here the top wheat brought a price of 145% higher than the bottom wheat.

Unfortunately for the farmer, the wet weather at har-

(Continued on page 29)

"The Port of Quebec (Canada) can accommodate the largest ships"—

Facilities Unequalled For the Shipping Trade



City Water Electric Light Power Installations Modern Bunkering Facilities

View showing Quebec Harbour Commissioners' 4,000,000 bushel grain elevator No. 2 and marine tower — with part of inner Louise Basin in the foreground.

THE PORT OF QUEBEC

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Equipment

Rail connections with all Railways

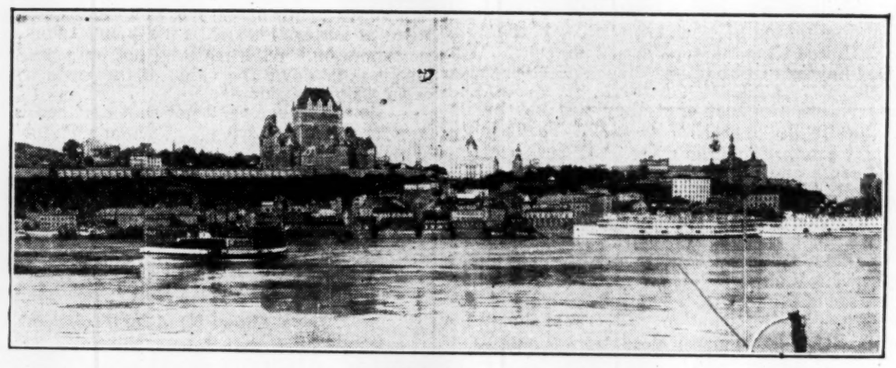
Fireproof Sheds 536,356 square feet

Deep Water Berths for 25 vessels (up to 40ft. at low tide)

50 ton Floating Crane

Dock and Locomotive Cranes

Modern Cold Storage Warehouse and Fish House



General view of Quebec with Dufferin Terrace and Chateau Frontenac in background.

Equipment

Fireproof Concrete Grain Elevator 4,000,000 bushels

Loading capacity 60,000 bushels per hour

One Graving Dock 1,150 ft. x 120 ft.

One Graving Dock 600 ft. x 62 ft.

Guaranteed Rapid Execution of Repairs

Cattle Resting, Feeding and Loading Station

View showing progress of construction at the Wolfe's Cove Terminals, Quebec Harbour, at the end of season 1928. These docking facilities will accommodate vessels of the largest draught. Depth of water — 40 feet at low tide.

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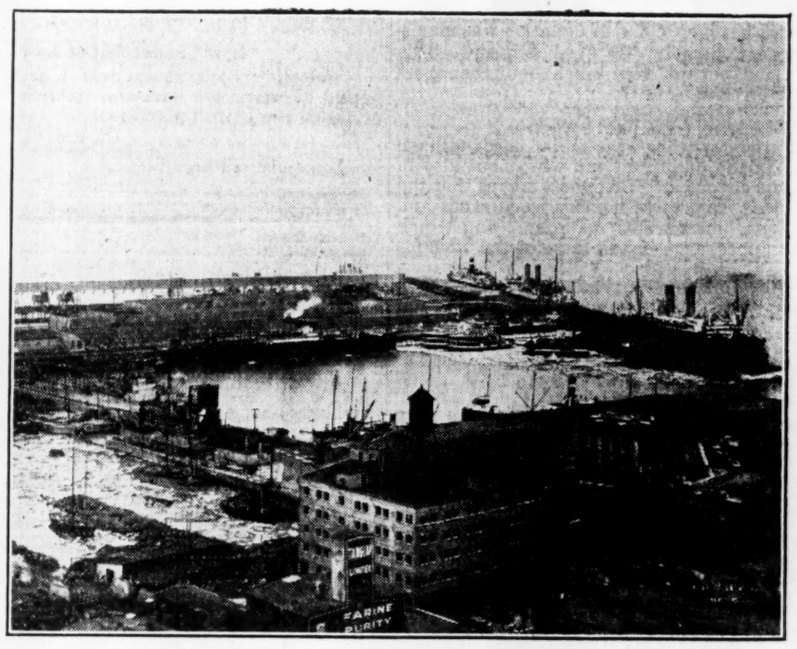

View showing the Quebec Harbour Commissioners' Tidal Basin, Breakwater and River St. Charles facilities, with first fleet of trans-Atlantic steamers in April.

CANADIAN GRAIN STANDARDS ACCEPTED THROUGHOUT WORLD

Grain Machinery Highly Efficient

(Continued from page 27)

vest time in 1927 injured the wheat so that a very small per cent was able to make the higher grades. Of the fancy grade, No. 11 Hard, there was one car produced in all Canada. Of No. 1 Northern, there was less than 1% of the crop; No. 2, 7%; No. 3, 22%; No. 4, 12%; No. 6, 3%. Forty-three per cent of the crop was "no grade" (Tough and Damp). Out of the 301,000 cars of grain of the 1927 crop inspected in the Western Division of Canada (Port Arthur and west) there was one car of No. 1 Kota, six cars of No. 2 Kota, and fourteen cars of No. 3 Kota. It is worth while to keep in mind the fact that the Grain Act of Canada requires the public terminal elevators handling this grain (in case it goes into a public elevator) to keep the grades separate as well as the varieties separate. Bins in public terminal elevators run from 30,000 to 50,000 bushels capacity. It is not very economical to set aside a 30,000 bushel bin for one car of Kota wheat, or for six cars of No. 2 Kota.

Nearly 2,600 Different Grades

While the pool was handling 216 grades of wheat of the 1927 crop, the terminal elevators were receiving many more grades than that, in fact more than twice that many. The public elevators at Fort William and Port Arthur received 85,000,000 bushels of wheat, of 63 different grades. The private elevators at the same points received 197,000,000 bushels of wheat of 481 different grades. But here is the most interesting and most important fact from both the production and marketing standpoints—451 of the grades were represented by small amounts of wheat, that is, less than 50,000 bushel lots. In other words, there were thirty grades representing lots of wheat varying from 50,000 bushels upward to 48,000,000 bushels; the 451 grades represented four hundred fifty-one lots of wheat varying in size from 49,000 bushels down to one 5 bushel lot of condemned No. 2 Mixed Heated, one 307 bushel lot of No Grade Tough Rejected White Spring and Amber Durum Sprouted, and one 2,000 bushel lot of No Grade Tough Rejected No. 4 Sprouted Rejected Mixed Heated and Heating.

Too Many Grades of Wheat

These facts give us a rather dark picture of Canadian wheat as it moves from the fields to the terminal markets.

Too many grades. Too many qualities and conditions. But the situation is even worse than here presented. If the claim be made that 1927 was not a "normal" year, we may turn to 1926. For the 1926 crop there were 599 grades received by the private terminal elevators at Fort William and Port Arthur.

The fact must be frankly faced that Canada is now producing by actual count 2,623 grades of wheat. Since the millers want only eight or ten grades and the exporters only six, we will see at once the serious nature of this wheat marketing problem.

Conditioning Reduces Number of Grades

Fortunately for the farmer, by cleaning and conditioning, by a careful and scientific mixing which has due regard for the three factors of cleanness, quality and condition, the handlers of grain in large volume at terminal markets are able to eliminate a very large number of grades. The market for these 451 grades of small lots of grain in 1927 was, of course, the private elevators. They purchased in all 481 grades. By conditioning and scientific mixing, they eliminated 277 of these grades, leaving on their hands 204 grades to sell. Since the millers and exporters are not buying these nondescript grades, and since the farmers keep on producing them in ever increasing volume, the private elevators have grown up by a process of natural economic evolution to become the buyers of this grain. Without such buyers, it is difficult to see where and how the farmers could dispose of their grain at all.

The farmer's pool, as stated above, received from the farmer 216 grades of wheat of the 1927 crop. It is a physical impossibility to find buyers at remunerative prices for this number of grades of wheat. The pool actually found buyers overseas for twenty-one grades. This left on hand 195 grades to be sold to domestic buyers, or to be conditioned and built up into fewer and better grades. To sell 195 grades of wheat to mills that grind only six grades is not practicable. The pool was accordingly forced to follow the established commercial practice of conditioning, mixing and otherwise treating this wheat.

Large Number of Grades

How is it possible, the reader may ask, for Canada to produce 2,623 grades of wheat? This number of grades is not produced in any one year. But over a period of two or three years, these grades are actually produced and enter the channels of commerce.

An explanation may be given at this point showing why there are so many grades. Thus far in this article we have referred to the numerical grades, Nos. 1, 2, 3, 4, 5, and 6, and to the various classes of wheats. The Canada Grain Act specifies the requirements for certain grades of wheat, including the No. 1 Hard, the No. 1 Northern, the No. 2 Northern, and the No. 3 Northern. This act also provides the necessary flexibility of grades to meet changed conditions from year to year by a system of "commercial grades." The administrative machinery for formulating and promulgating these commercial grades is carefully and minutely described in the Grain Act. It is in these commercial grades, formulated to fit actual weather and crop conditions, that we have the terrific multiplication of grades.

Many Sub-Divisions of Each Grade

To illustrate. Start with No. 2 Northern. It may be damp or wet or heated or mixed, and so on, through a long list of actual possibilities. Since these factors affect either the cleanness, the quality or the condition, they affect the grade. In this way we get, for example; Tough No. 2 Nor.; Rejected No. 2. Nor.; Tough Rejected No. 2 Nor.; Damp No. 2 Nor.; Dried No. 2 Nor.; Tough Condemned No. 2 Nor.; (Tough Condemned Heated No. 2 Nor.; and so on. Other factors, any one of which change the grade, are: smutty; sprouted; mixed; mixed with rotten kernels; mixed with gravel; fire-burnt. In this manner we find there are 61 grades of No. 2 Northern. There are obviously 366 grades of the Nos. 1, 2, 3, 4, 5, 6, because six times 61 equals 366. There are 366 grades of Kota; 366 grades of Red Durum; 366 grades of Amber Durum, of winter wheat, of mixed wheat. There are 61 grades of feed wheat.

Factors That Make Grades

In other words, there are 2,623 possible grades of Canadian wheat, these grades fairly accurately describing the actual cleanness, quality or condition of the wheat, under both favorable and unfavorable climatic conditions. Temperature, precipitation, wind and sunshine are the major natural factors causing variation in grades. The farmer's soil treatment, crop rotation, seed selection and treatment are major human factors in the problem. It occasionally happens that in one field, wheat of different grades is produced, because of spots of low ground, or of other natural conditions beyond the control of the farmer.

Thus far in our discussion we have considered the problems of wheat consumption, and of wheat production. We are now ready to turn our attention to the next problem, namely, the marketing of the wheat.

There should be no irreconcilable conflict between the producer and consumer. Experience has proved that the more freedom the grain trade has the better it has been for both producer and consumer.

Mixing is Inescapable Necessity

"Low grades are due to specific causes most of which can be removed by the mixing houses . . . The private elevators are actually salvaging a large amount of grain that would otherwise find no market . . . By building up and selling low grade wheats in the higher grades for higher prices, the farmer's private elevator was able to pay the farmers a higher price for the various lots of low grade wheat. This is the whole philosophy of mixing.

"At this stage in the economic evolution of Canada's one crop farming, the scientific mixing of grain is an inescapable necessity."

Regulation Versus Free-Play in Growth of Selling Machinery

IV. MARKETING

Marketing wheat means getting wheat from the producer to the consumer. The various go-between services along the way from producer to consumer are sometimes referred to as the "middleman service." In all times and places in the world's history the grain trade has been a matter of grave public concern, and hence subject to much public regulation. In practically all countries in Europe and Western Asia, however, where such regulation was furthest developed, this regulation was for the supposed protection of the consumer, not the producer. In new agrarian lands such as Canada, laws on the grain trade are frankly aimed primarily to help the producer. In the end, however, there should be no irreconcilable conflict of interest between producer and consumer. Experience has proved that the more freedom the grain trade has had the better it has been for both the producer and consumer.

At this point in our discussion we are ready to consider two important practices in the marketing of wheat; one a matter of direct governmental regulation; the other a matter of the free economic evolution of the market itself. These two important practices are: Grain Inspection and Grading; Grain Mixing. There is a certain background to these two practices which must be understood and be held in mind for a correct understanding of these practices themselves. This background, we will now briefly survey.

The Wagon-Car-Cargo Movement

There is a saying that time is money. At any rate speed is one of the first necessities in moving the Canadian wheat crop from the fields to the Head of the Lakes. And speed is one of the prime necessities in getting Canada's quota of wheat exports afloat to foreign markets before the big stream of Argentine and Australian wheats are also afloat, for Europe looks on a movement of much over 60,000,000 or 65,000,000 bushels of wheat on passage as bearish. The orderly movement of wheat to Europe follows the world's harvest in the northern hemisphere and then the southern hemisphere, as the following table illustrates:

Movement of Wheat to the Seaboard by the Four Chief Exporting Countries.
Showing the total bushels moved, by four-month periods, and the per cent. of the period represented by each country.
Five Year Average. Crops of 1918-1922

	July-October Bushels	Nov.-Feb. Bushels	March-June Bushels
United States	118,032,000	79,239,000	80,544,000
Canada	43,505,000	80,512,000	40,987,000
Argentina	37,287,000	34,392,000	63,935,000
Australia	20,600,000	27,644,000	36,218,000
Total	219,424,000	221,794,000	221,684,000

Moving While the Moving's Good

Such a movement of wheat to the world's markets means that within three months of harvest, one-half of the United States wheat crop must and does reach terminal markets; and that one half the Canadian crop within ninety days of the Canadian harvest should reach the terminals. Wheat at terminals is in a strong position, because it can be moved quickly to any market. A good example in speed in moving wheat occurred at, or rather just before the close of navigation at Fort William and Port Arthur in November, 1928. Here 72 vessels loaded and cleared in 72 hours. They were thus able to escape the higher insurance rates effective December 1.

Motor Trucks Speed Movement

Speed on the farm is being secured through the use of larger and larger wagons and lately of trucks. A farm ten miles from the station, hauling wheat by truck, is the same distance in hours from the station as the wagon farm two miles out. At one Alberta station, in one day, in 1928, there was delivered 100,000 bushels of wheat. Wheat on farms or at country stations is generally speaking in a "weak" market position, because of the impossibility of getting it to a buyer quickly. Wheat for internal mills is of course an exception.

The commercial handling of wheat requires speed. If 300,000 cars of wheat are to be inspected at Winnipeg, and this wheat moved into favorable position at the Lake head before navigation closes there must be speed. This physical movement of the grain has three distinct phases; (1) From farm to station by wagon load; (2) From station to Lake terminal by car load; (3) From domestic seaport to foreign seaport by vessel.

Units Enlarge as Wheat Moves

The wagon load of wheat is about 60 bushels.
The car load of wheat is about 1,500 bushels.
The load in one hold of the vessel is 50,000 bushels.

Thus the wheat moves and must move in constantly larger units. Keeping wheat from individual farms in separate lots is commercially impossible even if it were desirable. Since "virgin wheat," as has been stated, is not fit for milling or baking, there ceases to be any reason for preserving the identity of the wheat of any one farmer.

A full cargo of wheat runs from 300,000 to 400,000 bushels. But the unit of the load is the single hold of the vessel. In this hold one grade of wheat is carried. A cargo can, therefore, consist of six or eight grades, one grade for each hold if necessary. Building up these larger units, such as car load, vessel load, is done by a process of mixing together smaller units of the same grade.

Canadian Grade Certificate

There is one important aspect of the foreign grain trade of Canada which needs to be mentioned at this point. That is the use of Canadian grades on the European markets. If a cargo of wheat has the Canadian inspection and grade, the certificate of this grade is known as a Certificate Final on the British or European market. For simplicity, speed and convenience this method of selling by Certificate Final is superior to any other known system. To bring some order into the world's grain trade, and to provide for settling trade disputes in a manner where justice would be certain, speedy and cheap (most law courts furnish justice which is uncertain, slow, and expensive) the leading grain dealers of the world formed an organization in London known as the London Corn Trade Association. Now, most of the world's international grain business is done on the basis of the contracts formulated and printed by this association. A separate contract is made for each country and each grain. So there are now over sixty of these contracts in force.

2,623 Grades of Wheat

"The fact must be frankly faced that Canada is now producing by actual count 2,623 grades of wheat. Since the millers want only eight or ten grades and the exporters only six, we will see at once the serious nature of this wheat marketing problem."

Canadian Grade is Final

The Canadian contract governing all international dealings in Canadian grain, states that in case a dispute arises over the grade of the grain at destination the Canadian certificate of the grade as the grain was inspected out shall be final. In other words, if there is any serious defect in the grain it is due to something which happened to the grain after it left Canada, and the final adjustment must be made on this basis.

For a great many years now the Certificate Final has been used for Canadian grain, and with great satisfaction to both buyer and seller. The United States and Canada are the only two countries in the world thus far which have succeeded in standardizing and grading their grain to the extent that they can sell it by telegraph or telephone or cable or wireless on the basis of grade certificate alone. Since this makes marketing easier, it also makes it cheaper and therefore it is of benefit to the producer as well as the consumers. The ideal system is to keep the standards definite and uniform, just as the term "one foot rule" calls up the picture of a twelve inch rule, as the words "yard stick" call up the picture of a 36 inch stick with exactly the same meaning to all persons. Wheat standards cannot reach that final degree of perfection, but they should approach and approximate it. This discussion now leads us up to the important subject of mixing.

Mixing and Conditioning Grain Raise Its Value in Market

Mixing, as the term is used here, means the mixing and treatment of grains of different grades in a private elevator for the purpose of securing better grades. It has been made clear in the preceding pages that the grade of the grain depends on three factors, cleanness, quality and condition. A mixing house has at least four general functions—to buy and sell grain in large volume, to clean grain, to condition grain, and to mix grain. Its income is from four sources, not one source. Since mixing is a controversial subject in some parts of the country it will be examined with care in the following paragraphs.

Low Grade Grains Bring Low Price

In the first place, it should be remembered that there is no way to get a good price for a poor product. Even an expert mixing house cannot get more than the grain is worth. All it can hope to do is to put the wheat into the best possible condition, and to put it so far as scientifically possible into that quality class, or cleanness class where the most can be realized for it.

Mixing may be best understood by noting examples of it. Turning to the 1927 wheat crop, and examining the statistics for the grain inspected into and out of the private elevator at Fort William and Port Arthur, we see what mixing means. As stated before, 481 grades of wheat were inspected in; 204 grades were inspected out; cleaning, conditioning and mixing, therefore, get rid of 277 grades.

Of the No. 1 Northern there was received 2,300,000 bushels; shipped 3,500,000.

Of the No. 2 Northern, 16,300,000 bushels were received; 24,800,000 bushels shipped.

Of the No. 3 Northern, 48,052,000 bushels received; 79,206,000 bushels shipped.

Of the No. 4, receipts were 24,848,000 bushels; shipments were 33,498,000 bushels.

In other words, lower grades were built up to meet the requirements of the four top grades.

Lower Grades Dwindle on Way Out

Turn now to the low grades which were thus conditioned.

No Grade Tough 3 Northern; receipts were 36,551,000 bu., shipments 114,121,000 bu.

No Grade Tough No. 4; receipts 18,439,000 bu., shipments 6,243,000.

In a similar way there was a successful treatment of the No Grade Tough Nos. 5 and 6.

Grades That Never Came Out

The following five lots of damp wheat were all eliminated by being dried and put into higher grades.

	Bushels
No Grade Damp 1 Northern	2,500
No Grade Damp 2 Northern	185,885
No Grade Damp 3 Northern	2,230,585
No Grade Damp 4 Northern	1,712,653
No Grade Damp 5 Northern	450,162

It will not be necessary to run through the whole list and account for every lot of low grade wheat which was eliminated by cleaning, conditioning, or mixing. The following are typical grades among the 277 grades entirely eliminated by the private elevators:

No Grade Damp Feed.
Rejected No. 1 Northern.
No Grade Tough Rejected 2 Northern.
No Grade Damp Rejected 2 and 3 Northern, also No. 4 and 5.
No Grade Damp Smutty 2 and 3 Northern, and the same for 4, 5, and 6.
No Grade Tough 2 Northern Heating.
Same for other Grades Heating.
No Grade Tough Rejected 3 Northern Sprouted Rejected Mixed Heated.
No Grade Tough Rejected 1 Northern Mixed, Heated and Heating.
Rejected 3 Northern Mixed Rotten Kernels.
No Grade Tough Smutty Rejected 3 Northern.

Mixing House Removes Many Troubles

It is obvious from these typical grades that the low grades are due to a few specific causes most of which can be removed by the mixing house. These causes are: too much moisture; too much heat; other conditions such as smut or rotten kernels or sprouted wheat. The private elevators are actually salvaging a large amount of grain that would otherwise find no market. The Inspection Department testified that it was not lax in inspecting out this grain from the private elevators. On the contrary it testified that it had a double standard of inspection, one for the private elevators where mixing is done, and one for the public elevators where no mixing is done, and the standard for the private elevators was a little higher than that for the public elevators. This attitude is not taken arbitrarily towards the private elevator, but is taken because of the construction put upon an ambiguous clause in the Canada Grain Act.

The origin and history of mixing throw some additional light on the practice. The terminal houses, some twenty years ago, found themselves receiving many grades which were out of condition, due to rust, smut, rain, snow, moisture, heat, and other natural causes. Small elevators with cleaning machinery and equipment for conditioning the grain were built, these houses being called Hospital Elevators. Later large private elevators were built equipped to mix and condition the grain. Conditioning and mixing became a well established commercial custom. The farmers when they got into the grain business in a large way, took up the practice.

The relative importance of private and public elevators at the Lake head is shown by the following statistics of the number of each kind of elevators and the capacity:

Storage Capacity
Fort William-Port Arthur, Sept. 15, 1928

	Fort William	Port Arthur
Public Terminal Elevators	5,750,000 bu.	17,175,000 bu.
Private Terminal Elevators	31,075,000 bu.	31,775,000 bu.

The private elevators have 62,850,000 bushels storage capacity as against 22,925,000 for the public elevators. These private houses are also "regular," that is, their warehouse receipts are tenderable on future contracts.

Farmers own private elevator capacity at the head of the Lakes (included in above) as follows:

	Bushels
Manitoba Co-operative Wheat Producers No. 2	575,000
Saskatchewan Pool Terminals, No. 5	2,100,000
Saskatchewan Pool Terminals, No. 7	6,900,000
Manitoba Co-operative Wheat Producers, No. 1	1,300,000
Saskatchewan Pool Terminals, No. 8	2,500,000
United Grain Growers "A"	5,500,000

Does Mixing Degrade Wheat Quality

In fact the farmers are now the largest single operator of mixing houses at the terminal market. The natural evolution of the market has put them into this practice. They faced conditions which were successfully met by means of the private terminal elevator operating at a mixing house.

There is one other issue involved in mixing to which attention must now be directed. Does mixing degrade the quality of the wheat? Does it impair the value of Canadian wheat in Europe? This question is in reality a challenge of the integrity of the official grades, since the wheat leaves the mixing house under a grade put there after the out inspection by the Inspection Department of the Canadian Government. The key to the situation is, as just said, the integrity of the grade and the ability and integrity of the men doing the grading. We will now look into this matter.

The Canadian Certificate Final is now, and long has been, a definite standard of grade of wheat on the markets of the United Kingdom and Europe and the world. As a yardstick of grain standardization the foreign buyers have come to look on it as 36 inches long, so far as it is possible to give such definiteness to wheat standards. If the integrity of Canadian wheat grades is being impaired by mixing of grain in private elevator, then the foreign buyers would be the first to discover it and make a protest. It is worth noting here that Dean W. J. Rutherford and Chief Inspector George Serls made first-hand investigations in the United Kingdom looking into the question of complaints, if any, against the integrity of the Canadian grades.

Integrity of Canadian Grading Unchallenged Throughout World

It is more than likely if any miller in Glasgow or Liverpool, or Manchester, or Bristol or London or elsewhere had had any trouble with Canadian grades he would have made his grievance known, for every opportunity was given. Yet no criticism was heard of the Canadian grades whether on wheat out of public or private terminals. The conclusion is inevitable, therefore, that the integrity of Canadian wheat grades has been strictly preserved, whether this wheat came out of public or private elevators. This means that the buyer gets what he wants, and pays for what he gets.

Technique of Inspection and Grading

The mechanical processes of sampling the grain and of inspecting and grading the sample has been investigated so many times that any further description of those processes here would be out of place. Attention needs to be called only to certain aspects of the inspection process.

Speed is an overruling necessity. It is secured by having the necessary force of grain samplers in the yards, taking samples from cars, day and night, seven days in the week, when the grain movement is large. Samples are taken for inspection to the government grain laboratories which are equipped first of all with the north light, considered best for scientific inspection and grade determination. The most modern equipment in existence is used for getting the test weight per bushel, and the moisture test. The Grain Act imposes certain requirements concerning the cleanness, quality and condition of the grain which the inspectors must determine by the use of their judgment based on past experience.

Where Human Judgment Must Rule

These grain grade requirements left to human judgment are in general these:

No. 1 Hard shall be sound, well cleaned.

N.o 1 Manitoba Northern shall be well matured, well cleaned, practically free from damaged kernels and foreign grains.

No. 2 Manitoba Northern shall be reasonably sound, reasonably clean, of fair milling quality.

These grades, as the reader will of course recall, have their own specific test weight per bushel, their own specific requirements as to per cent of the red spring wheat kernels which they must contain, and so on. The point at issue here is merely the fact that in any grading system some factors must be left to the judgment of the inspectors, such as, how clean is "clean" and "reasonably clean."

In the United States grades there are fewer things left to the inspectors' judgment; more things are specified in the published standards. For instance, the per cent of inseparable foreign material and the per cent. of moisture. The Canadian system, however, seems to fit Canadian conditions better than a more specific system would.

Inspection and Grading Personnel

Whatever the system of inspection and grading, its ultimate success or failure depends on the men who are working it. To a disinterested outsider visiting Canada and studying her wheat marketing system in all its ramifications, one outstanding impression is brought home—the most vital link in the long chain of Canadian wheat marketing is the inspection and grading of the wheat. The economic importance of this grading business can be stated only in terms of hundreds of millions of dollars. This staff of men, charged by the Government with the professional and scientific duties of making the inspection and doing the grading, now handle a grain crop of over 500,000,400 bushels, with a total value in excess of $500,000,000. This job may be compared with another big business n Canada, namely, railroad transportation. The Canadian National in the year 1928 had a total freight and passenger business of $300,000,000. The Canadian Pacific in the same time of about $200,000,000. The two great railroad systems combined had a total freight and passenger business equal in value to the grain

(Continued on page 31)

Consumer Determines Marketing Success

"There are three parties interested in the marketing process, namely, the consumer, the producer, and the middleman, and of these three the consumer is the most important. In the end, the consumer is the only market the farmer has, and the satisfied consumer is the best market.

"The farmer unfortunately has been marketing 'wrong end to'."

The above photograph was taken in Toronto during the convention of officers of Paterson Steamships Ltd. with lake captains of the company.

Front row, sitting: Captains Chapman, Little, Jewett, Wilson and Clark; Capt. Tinmouth, manager of Montreal office; E. B. Sutherland, Fort William, secretary-treasurer; M. Smith, manager of Winnipeg grain office of company; N. M. Paterson, president; W. W. Hall, general manager; C. C. Head, chartering department; B. O'Donnell, accountant, Fort William office; Captains Livingstone, Hudson and Simpson.

Back row, standing: Captains Beatty and Montgomery; C. F. Taylor, Cleveland agent; James Ogle, Duluth agent; Captains Foote, Legendre, Kirk, Peterson, Redfern, Somers, Foulis, Roy, Simpson, Courtemache, Simpell, Cunningham, Hunt, Gould and Angus.

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N. M. Paterson Co. Limited, Elevator, Fort William, Ont.
Capacity, 2,500,000 Bus.
Steamer Ontadoc Loading.

Terminal Elevator Winnipeg
Capacity 100,000 bushels.

2 Terminals in Fort William—2,500,000 bushels

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Bricoldoc	Soreldoc
Canadoc	Torondoc
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Saskadoc	Thordoc
Soodoc	Calgadoc
Ontadoc	Yukondoc
Fort Willdoc	Lavaldoc
Vandoc	Newbrundoc
Prindoc	Novadoc
Quedoc	Wellandoc
Windoc	Sarniadoc
Cartierdoc	Ganandoc
Lachinedoc	Lawrendoc
Mondoc	Coteaudoc
Hamildoc	Prescodoc
Troisdoc	

With a Capacity of 4,500,000 bushels

***Head Office*—Fort William, Ontario**

***Offices*—Winnipeg, Montreal, Port Colborne, Duluth and Cleveland**

Canada's Production is Certain of Expansion as Year Follows Year

Not Only is Acreage Planted to Grain Growing, But Yield Per Acre Increases as Better Varieties Are Developed

There is every assurance that Canada will continue to increase her wheat production. The acreage planted to wheat increases almost every year and very substantial increases in yields per acre are also contributing to a continuous expansion in our annual crop of wheat.

For instance, from 1919 to 1928 wheat acreage in the three western provinces increased from 17,750,000 acres to 23,150,000 acres. It is hardly safe to compare yields between any two single years because weather conditions vary greatly from one year to another. But the five-year average yield of wheat in the west from 1918 to 1922 was 12.9 bushels to the acre and from 1923 to 1927 18.0 bushels to the acre. The year 1928 saw a yield of 24.1 bushels to the acre.

Canada, which exports about 75 per cent. of her wheat, heads all nations in the business of supplying the world with wheat for bread. The United States exports only 23 per cent. of its wheat production; Argentina 18 per cent.; Australia 10 per cent.; and other countries 9 per cent.

All phases of the wheat situation are steadily expanding. In the last ten years exports of wheat from Canada have grown by 100,000,000 bushels, or nearly 70 per cent. Exports to the United Kingdom alone have in the decade increased by 52 per cent., and to other countries, excepting the United States, they have grown by over 1,000 per cent. In the period new countries have turned increasingly to Canada for their wheat supplies, and Japan, China, Germany, Italy, and the Netherlands have become important purchasers. There was even a shipment to India this year although India is one of the world's great cereal growing nations.

Advantages of Growing in Canada

There is little apprehension over the future of wheat growing in Canada or markets for the steadily increasing volume of production. With the expansion of Canadian population the proportion of the crop available for export will probably remain about the same. Authorities are of the opinion that Canada will be the source of supply of wheat for the United Kingdom for some years to come at least. Japan and China loom up as potential absorbers of very large volume. The return to more normal conditions in many countries is increasing their wheat consumption and fresh demands are continually being made upon Canada. Eventually Canada will produce a billion bushels of wheat a year and find a market for it the Hon. T. A. Crerar, former Minister of Agriculture, recently predicted.

Based on past history, there are several important factors which will continue to the advantage of Canada in the production of wheat. Land prices are low, the lowest for land of the kind existing. The average value of improved land, including the value of farm buildings, is in Alberta $26, in Saskatchewan $25, and in Manitoba $29. Compared with these the average value of farm lands in Minnesota in 1920 was $109.23; in Iowa $227; in South Dakota $71; in Nebraska $87.91; and in Kansas $62.30. On top of this United States farmers have higher transportation rates to pay and, according to Senator Brookhurst of Iowa, speaking in support of a farm relief bill in Washington, on this account United States farmers receive about 15 cents per bushel less for their wheat than do the Canadian farmers.

Wheat Yields are Higher in Canada

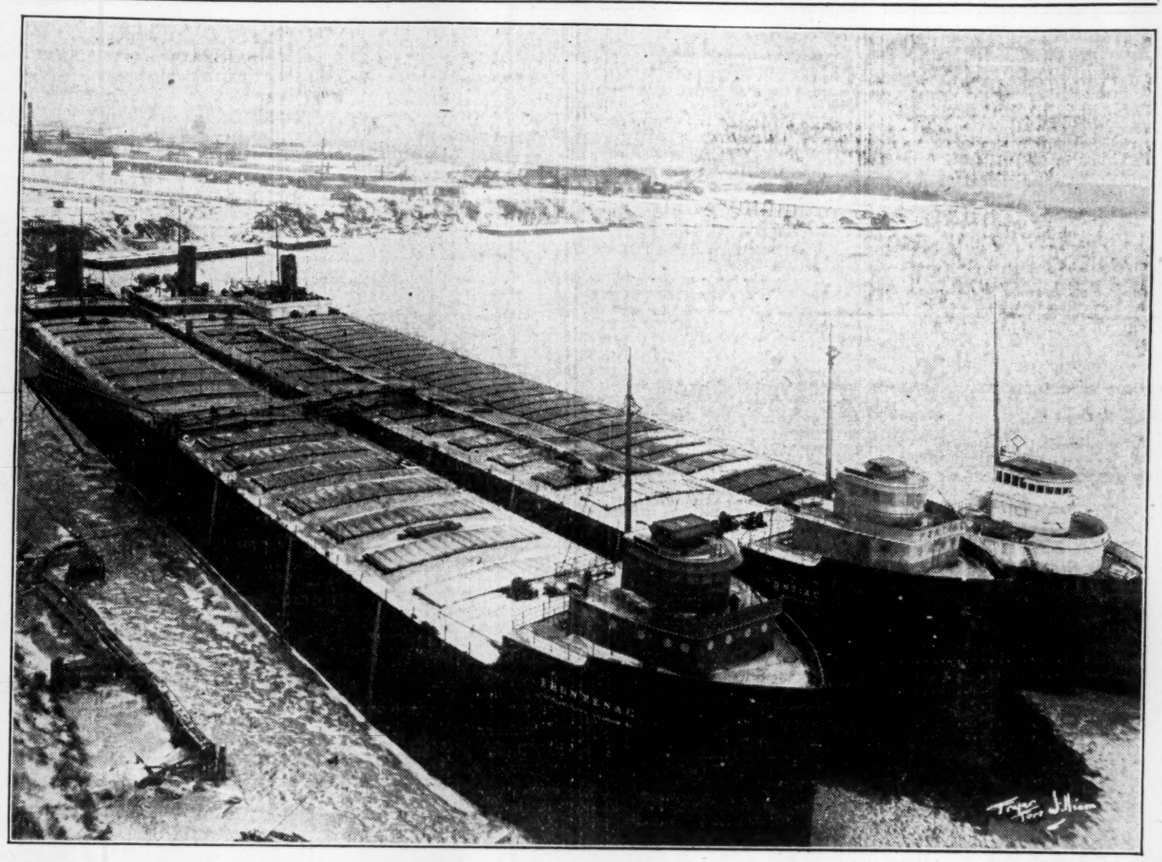
Wheat yields are higher in Canada. The average production over the Dominion in 1927 was 19.8 bushels to the acre, and the Province of Alberta returned 28.6 bushels to the acre, the revenue being substantially greater from the single crop than the estimated value of the land. The average Canadian wheat yield in 1926 was 17.8 bushels to the acre; in 1925, 18.7 bushels; in 1924, 11.9 bushels; and in 1923, 21 bushels; making the average yield for the past five years 17.8 bushels per acre. Against this the average production in the United States in the five years 1922-26 was 14.3 bushels per acre; in the Argentine 12.2 bushels in the five years 1921-25; and in Australia 13.7 bushels in the same period.

New and Improved Varieties Developed

In this connection also must be considered the superior hard quality of Canadian wheat, which has won for it the world championship at the Chicago International on 14 occasions in the last 17 years, and which makes the product in demand even in countries which are producing wheat of a softer variety. The United States, for instance, although second only to Canada as an exporter of wheat, annually imports about 10,000,000 bushels of the Dominion product.

Though the acreage under cultivation in Western Canada represents but a comparatively small proportion of what has long been recognized as within the wheat belt, the northern limit of wheat growing is slowly but definitely being pushed back, bringing a great potential area under the dominion of the plough for this purpose.

Boats Store Surplus Wheat During Winter Months



Winter-loading at a Fort William elevator. During the winter months many hundreds of thousands of bushels of wheat are stored in ice-bound boats that are ready to move as soon as navigation opens.

Grain Machinery Highly Efficient

(Continued from page 29)

inspected by the small staff of men employed by the Government.

Duties are Professional in Nature

The duties of the inspectors are not routine. They must make decisions. They must use judgment. And these decisions and these judgments are a matter of serious importance to the whole grain farming industry of Canada.

The men constituting the staff of the Inspection and Grading Department have duties which are professional in nature. This job is as important as the profession of law and medicine. The grain inspector's job is, however, not so regarded at present. His calling, his profession should be exalted, dignified. There are various ways to dignify and exalt a job of this kind, such as rigid entrance requirements, security of tenure, generous compensation.

Inspectors Should Be Paid More

It is on the compensation side where the Government might well adopt a new policy. An inspector now, inspecting out a cargo of grain, might be tempted, it is conceivable, to alter the grade improperly by one grade; this would affect the selling value of this one particular cargo by ten times the amount of his annual salary. This has never been known to happen, but is stated here to show the strain to which an inspector is subjected.

Comparisons are illuminating. The Chief Grain Inspector of Canada, who has spent thirty years in the business, gets a salary of $6,000 a year. The heads of the large farmers' co-operatives in Canada and the United States have salaries from $21,000 to $50,000 a year, but not in a single case is their work of one-half the financial importance as that of the Chief Grain Inspector. The head of one of Canada's railroads is reported to have a salary of $60,000 a year, yet his decisions do not have half the importance of those of the Chief Grain Inspector. The Assistant Chief Grain Inspector has spent 28 years in the business and gets $4,380 a year. There are nine Chief Deputy Inspectors with terms of service ranging from 18 to 24 years, and with a salary of $3,240 a year. There are a number of Deputy Inspectors with terms ranging from 3 to 21 years, and with a salary of $2,880.

Profession Should Be Exalted

The Chief Inspector has devoted some thirty years to this work which is his profession. The various grades of inspectors have spent from three to 26 years in this service. It is their life work, their profession. To repeat, this profession should be dignified and exalted by the Government so that it would be as much of an honor in Canada to belong to this grain inspection staff as it is an honor in foreign countries to rank high in the army and navy, or in the professions of law and medicine. It is the Grain Inspection Department of Canada to whom is intrusted the integrity of the grades and the efficient moving of Canada's greatest crop into the channels of international commerce. These men have kept their trust. They are entitled to honor, and to proper financial rewards.

In Conclusion, Two Reforms Are Suggested by Dr. Boyle

V. CONCLUSIONS

The foregoing pages have stressed production as the beginning point of marketing. The consumers want a few simple grades of good wheat—wheat of desirable cleanness, quality and condition. Canada's answer is to produce 2,623 grades of wheat, a very large per cent of which is not of the right cleanness, quality or condition for milling and baking.

This situation has created and made indispensable the private terminal elevator, the mixing house. At this stage of economic evolution of Canada's one crop farming, the scientific mixing of grain is an inescapable necessity.

The grading of Canada's grain is a vital link in the chain of marketing. With the growth and present state of the mixing of grain, the grading has taken on new and added importance. The inspectors in construing the language of the Grain Act, have applied a little stricter standard of grading to the grain coming out of private terminal elevators than to that coming out of public terminal elevators. They have maintained the integrity of Canadian grades and the Canadian Certificate Final in the markets of the world.

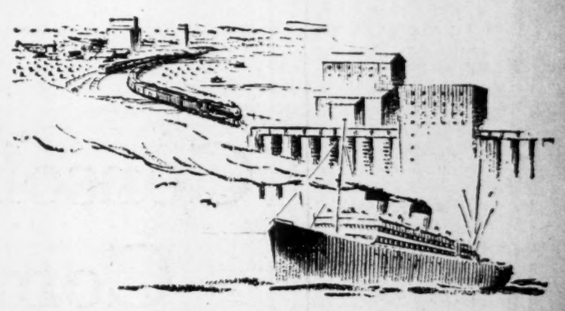
Suggests Two Necessary Reforms

If reforms are to be suggested in the marketing of Canada's wheat, then the author of this bulletin submits these two:

1. Production.—The breeding of seed wheat should be on the same plane with the breeding of livestock. Fewer and better breeds of wheat are needed. Wheat production should have in mind one objective, namely, consumer demand, and the three factors which qualify or disqualify wheat in meeting this demand, namely, cleanness, quality and condition.

2. Marketing.—It is assumed that the private elevator with its mixing is here to stay as long as wheat production is what it is. The suggestion is made, therefore, that the keystone of the arch to the marketing problem is now the inspection and grading of the grain. Canada's grain has been standardized under a federal law known as the Grain Act of 1912. The standards are internationally known, accepted and approved. The integrity of these standards and grades should be most jealously safeguarded. The best way to continue to guarantee the integrity of these grades is to exalt and dignify the professional job of the grain inspector.

Value of Saskatchewan's field crops for the past season is estimated at $309,538,000 from a total area of 21,063,000 acres.



From the Prairie to the Sea

BACK of every farmer—back of every harvest—back of every movement of Canada's wheat crop from the prairie to the sea, stands the Bank with its money and its service.

With the largest number of branches—in city, town and village—throughout Canada, this Bank plays a vital part in financing agriculture, trade and business.

The Royal Bank of Canada

RESOURCES EXCEED 909 MILLION DOLLARS

The Western Empire Life Assurance Company

THE SPLENDID PROFITS which this Company is paying to its Policyholders will be further increased as a result of the HIGH INTEREST EARNINGS of the Company, its MODERATE EXPENSES and exceptionally LOW MORTALITY experience.

Some very attractive contracts will be given to agents who can produce good business.

Head Office: Winnipeg

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Is Your Guarantee for Accuracy and Durability

TERMINAL ELEVATORS

Eleven (11) Gurney 2,500 bushel capacity Heavy Type Solid Lever Hopper Scales were installed in the new 6,000,000 Bushel Terminal erected in Port Arthur in 1928, for Saskatchewan Wheat Producers Limited.

Over One Hundred (100) of these Scales installed in Terminal Elevators in Canada and United States during the past six years.

FOR COUNTRY ELEVATORS

Gurney Dump and Hopper Scales are the best. Under the most exacting conditions, they will render the maximum service.

GURNEY SCALE COMPANY, LIMITED

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Head Office and Factory:- **Hamilton, Ontario**

Established 1856

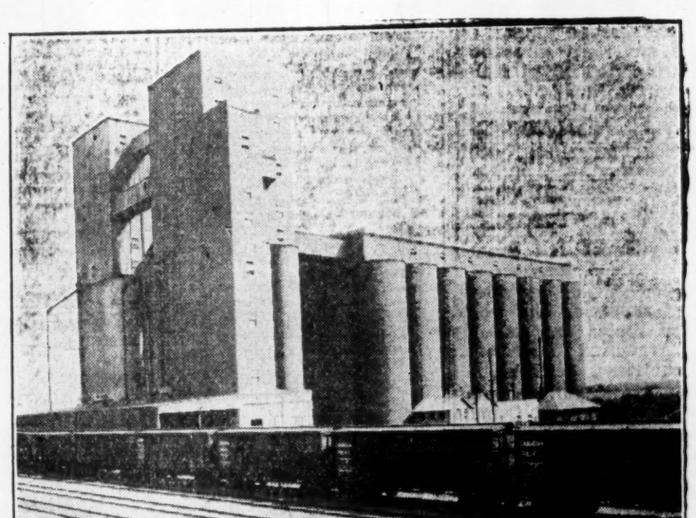
Consolidated Elevator Company Limited

Head Office: - Grain Exchange Building

WINNIPEG

Terminal Elevator, 1,750,000 bushel capacity

FORT WILLIAM, ONTARIO



Another link in a great chain—the Consolidated Elevator at Fort William, Ont.

Gooderham, Melady and Sellers, Limited

Head Office: Winnipeg, Grain Exchange Buildin

Correspondents

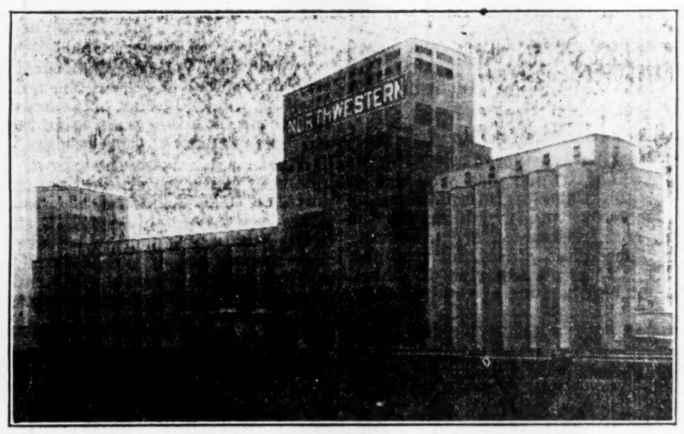
MELADY AND COMPANY
Toronto

MELADY GRAIN COMPANY
New York

International Elevator Company Limited

Head Office:
Grain Exchange Building
WINNIPEG

Owns and Operates
Country Elevators in
Manitoba and Saskatchewan



The extensive plant of the Northwestern Elevator Company at Fort William. Illustration does not show the splendid water transport facilities.

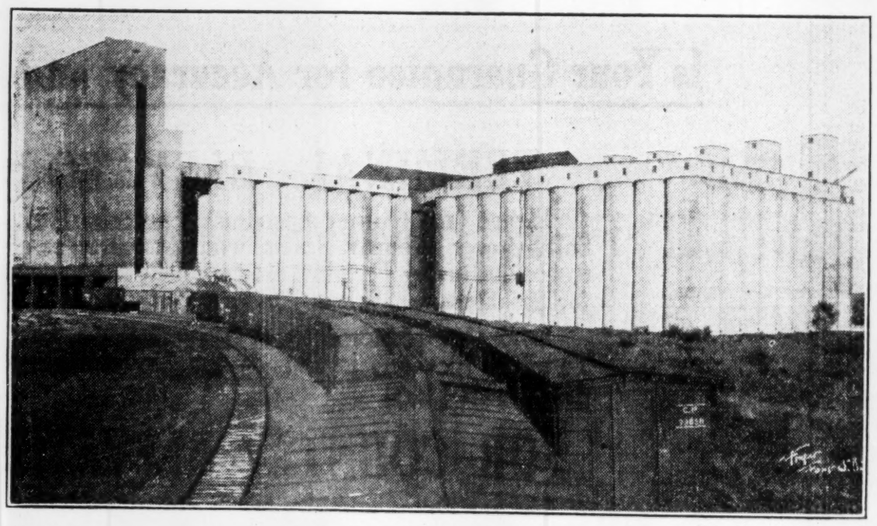
Brooks Elevator Company, Limited

Head Office: WINNIPEG

Owns and Operates
Country Elevators in
Manitoba, Saskatchewan and Alberta

The Northwestern Elevator Company Limited

Head Office: Winnipeg, Grain Exchange Building
Owns and Operates Terminal Elevator
3,500,000 bushel capacity FORT WILLIAM, ONTARIO



The C.P.R. Terminal Elevator, Fort William, Ontario, operated by Northland Elevator Company, Ltd.

Northland Elevator Company, Limited

Head Office: Grain Exchange Building
WINNIPEG

Operates C.P.R. Terminal Elevator
8,000,000 Bushels Capacity

FORT WILLIAM, ONTARIO

Canada Tops World as Wheat Exporter; U. K. Biggest Buyer

Machinery of Wheat Export is Graphically Described —Enormous Transport and Finance Problems Met

LOW COST IN CANADA SECRET OF PROSPERITY

Western Producer Wants Cash for His Wheat as Soon as It is Ready for Market, While Foreign Importer Buys from Hand to Mouth

By G. R. LAYCOCK

Of Canada's products entering into international trade, none equals in quantity and value her exports of wheat and flour and from the standpoint of importance to the country, in general, all other export items are dwarfed by comparison.

There are few Canadians whose business affairs are not affected by this annual flow of wheat from Canada. Two hundred and fifty thousand wheat growing farmers, spread over Manitoba, Saskatchewan and Alberta, each drew last year an average of 1,300 bushels of wheat for export into one or other of the 4,700 elevators located at some 2,000 odd stations. Railways freight cars to the number of 75,000 carried wheat on trip after trip to the head of the Lakes and eastward, or westward to Vancouver, while numerous boats plied back and forth on the Great Lakes and the St. Lawrence transporting it over another stage in its journey. Farmer, grain dealer, railwayman, merchant, manufacturer, banker and laborer, nearly all were concerned. The whole economic structure of Canada is in one way or other shaped to synchronize with the actions and reactions of the wheat movement for export.

Great Advertisement for This Country

It is in picturing the hundreds of thousands of people employed in its production and movement and the industries which are in existence because of the sales field resulting therefrom, that it becomes apparent what last year's export of 333 million bushels of wheat and flour meant to Canada.

There are other gains, not the least of which is the moral effect of being the world's leading exporter of wheat and flour, while the advertising of this country and other business accruing to Canada as a by-product from the established grain trade connections are of enormous value.

Exports Became Important in 1907

A convenient order of treatment in discussing Canada's exports of wheat and flour, is to show the growth that has occurred, along with some comparative figures on other countries, followed by the world wheat situation in general, and ending with a description of Canada's export machinery.

The exports of wheat and flour from this country looked at from the international standpoint did not become very important until about 1907. In that year the total export was equivalent to 30 millions of wheat. Seven years later the hundred million mark was passed for the first time, when the years' shipments out of Canada amounted to 131 million bushels. But the increase since the war has been amazing, the average yearly exports for the five years 1918-1922 being 166 million bushels of wheat and flour while from 1923 to 1927 the yearly average jumped to 298 millions. If the last 3 years alone be considered, the yearly average works out at 315 million bushels Compare this with the yearly average of 176 million bushels exported during the same period from our nearest rival, United States. Canada's average yearly margin of advantage during this same three years over United States was 139 million bushels, over Argentine was 177 million, over Australia 234 million and over India, 304 million bushels.

World Now Buys More Wheat and Flour

Canada's gain in exports of these commodities has been principally due to increased world requirements as, with the exception of Russia, the other chief exporting countries have exported more wheat and flour since the war than they did prior to 1914.

While at this point it might be interesting to note that the jump in the Canadian wheat and flour exports to over the 300 million bushel level occurred in a period when crops were large as compared to previous periods.

During the period 1924 to 1928, in the Prairie Provinces the average yearly acreage in wheat was 21,443,060 acres, the average yield per acre 18.9 bushels and the average yearly production 405 million bushels. In the preceding 5 year period, 1919 to 1923, the average yearly acreage was 19,775,000 acres, the yield averaged 15.2 bushels per acre and the average yearly production 301 million bushels.

Lower Cost Production Brings Prosperity

In the increased acreage, higher average yields per acre and bigger crops, together with somewhat lower costs of production may be found the actual reason for Western Canada's increasing prosperity.

In recent years, the remarkable increase in Canada's wheat and flour exports to a point where they represent about 40 per cent. of the entire international movement in these commodities, has led to the suggestion that controlling such a percentage, Canada could take a dictatorial attitude with reference to prices.

However, any belief that supplying such a big percentage puts a coercive club in Canada's hands is purely illusory, for to begin with the size of the club would soon shrink. One reason our exports are large is that price levels are such as to attract large orders. Again, the proposition carries with it the assumption that Canada would enforce her demand by refusing to sell at the level set by world conditions of supply and demand and would if necessary, hold back, in the extreme case, her entire export surplus. This is one thing, which Canada cannot do for the simple reason that the two-thirds of her entire wheat crop that is exported represents the season's pay cheque which is too urgently required to postpone receipt of except to a limited degree. Of course, all exporting countries and importing countries, too, do at times carry over more than the minimum requirements, but in such cases, examination will show that the excess over the minimum was carried over because consumption was not heavy enough to make use of it.

Last year, largely because of inflated price levels due to the American winter wheat scare and also the quality factor, Canada had to carry over the largest quantity of wheat in her history. This wheat was virtually "dumped" by Canada shortly after at the lowest price levels of the year and the assumption is that Canada was compelled to do so.

However, the decisive factor would not be that of Canada's ability to hold wheat off the market, for even if Canada could hold its whole export surplus, the results hoped for would not materialize. Indeed in case of such an attempt what would happen would be more like a "lockout" with Canada on the outside, rather than a "hold-up."

Canada cannot "hold up" the world. The governing condition is the rest of the world's ability to get along without any Canadian wheat. Our odd 300 million bushels of wheat and flour exports do not just split the field with some 450 bushels of wheat and flour exports from other countries, but must meet the competition from the home grown wheats of the importing countries. For instance, Europe is a heavy importer, yet also is a heavy producer, growing in some years as much as four times more wheat than Canada does. Of all the wheat produced in the world only about one bushel out of every six enters into international trade. With the home-grown wheat and the substitutes for wheat the world in case of necessity could get along without Canada's wheat and flour exports.

Foreign Miller Not Unprepared

Foreign millers are careful to develop flour formulas with combinations of wheats from different countries so that in necessity any one component not readily obtainable may be replaced by an alternative wheat, permitting with odd adjustments, the uniformity of a particular brand to be maintained. Millers and bakers in deficiency countries would not build up an important consumptive demand for flour made from wheat with characteristics obtainable from the wheat of only one country.

Roughly there is a world wheat production of which it is necessary to transfer to other countries about one bushel out of every six. Canada in recent years has supplied about 40 per cent. or about 300 million bushels of the one sixth referred to above. This movement of surplus supplies to countries not having enough constitutes the international trade in wheat and flour.

It is thought that the world's production of wheat swings around 4,700 million bushels. Taking the average of the past six years, the average yearly wheat crops of the different continents has been about as follows: Europe 1,941 million bushels; North America, 1,267 million; Asia, with a number of countries definitely reported at 386 million plus China's production of around 600 millions may have about 986 millions, South America, 242 millions; Australia, 136 millions and Africa 104 millions. Europe and North America together produce about two-thirds of the world's wheat.

Northern Hemisphere Leads in Wheat

By Hemispheres, the production of wheat is over 9 to 1 in favor of the Northern.

Geographical locations of wheat producing countries are such that wheat is being harvested somewhere in each of the twelve months of the year. However, since 75 per cent. of the world's wheat is grown in the North Temperate Zone and is harvested about the same time as 15 per cent. of the wheat grown in other areas, there is roughly 90 per cent. of the world wheat crop harvested within a period of less than four months.

United States is the heaviest wheat producing country, Russia is next heaviest and China, Canada, India, France, Argentine and Italy follow in order.

United Kingdom Is Biggest Buyer

Europe is by far the greatest importer of wheat and flour, taking around 80 per cent. of the total quantities put into international trade. Of Europe's imports the continent takes about two-thirds and the United Kingdom one-third. Of all the deficiency countries in the world the United Kingdom makes by far the biggest importation of wheat and flour.

There is a double distribution problem as far as each exporting country is concerned; the first of which is the distribution within its own borders of enough for domestic requirements and the second the distribution of as much of the surplus as is possible, or advisable, to shortage countries.

While freedom of choice existed, in the early stages of the world's history, as to whether or not wheat should be produced and consumed, to-day both take place largely as a matter of compulsion. With such a condition there would seem at first glance to be no great problem involved in the transference of wheat from producer to consumer. However, because 90 per cent. of the world's wheat is harvested in a period of less than four months and the producer must receive payment within a very short space of time, while on the other hand, consumption proceeds on a fairly even level over the full year, with the consumer buying bread on a hand-to-mouth basis and paying as he eats, a most elaborate machinery has had to be built up in order to bring about the adjustments necessary.

Describing Canadian Export System

Discussing the solution as worked out in the Canadian system and for the sake of brevity dealing only with wheat eastbound through Port Arthur and Fort William, we find the following system in effect.

To begin with, a great primary market is located at Winnipeg where buyers and sellers can meet to determine the price basis by competing bids and offers. Two markets are maintained at this meeting place—the Winnipeg Grain Exchange—a cash market and a futures market. In the cash market actual grain in a defined position is bought and sold for immediate delivery and payment. In the futures market contracts are entered into for future delivery of grain in specified months. These two markets—cash and futures—react on each other and prices tend to move up and down together.

Head of Lakes Provides Price Basis

In the cash market the wheat is bought and sold on the basis of wheat in store at Fort William or Port Arthur. If the wheat is still at the country station, or in car at country station or in transit, obviously the value of such wheat is less than wheat at Fort William and Port Arthur and there is some difference in price due to the position in which it is when sold.

How Farmer May Market Wheat

What are the privileges of the farmer? He may sell his grain at any stage of its journey after it reaches the country elevator. No matter where wheat is, certificates accompany it which make it possible to receive cash settlement.

The wheat is known as "street" wheat when at the country elevator. The farmer, if agreeing with the agent as to grade and net bushels, may sell and receive the price set that day on the Winnipeg Exchange for wheat in such position, less the statutory handling charges and freight to Fort William-Port Arthur.

Two Other Options For Farmer

However, he might decide to ship a carload of wheat and when this is loaded into the car, or still in transit, under which conditions it is known as "track" wheat, again change his mind and want to sell. This may be done as certificates accompany the wheat in each position by means of which a transfer of ownership is possible.

The third option is to let the wheat go right through to Fort William—Port Arthur—and sell on the basis of wheat in that position, which of course is paid for on the basis of cash grain prices ruling in the Winnipeg Exchange for "spot" wheat, the name applied to wheat in each position.

Call For Government Inspection

While in the original transaction at the country elevator, grading, docking, etc., is done by the country agent if the farmer does not agree with the agent he may appeal to the Inspection Department maintained by the Dominion Government to decide from a sample of the wheat just what the grading and dockage should be. He may if still dissatisfied call for a re-inspection by another set of the government officials.

The farmer is adequately protected in every position.

Wheat Gets Two Inspections

Besides the primary market at Winnipeg and the country elevator system now consisting of 4,700 elevators with a capacity of over 115 million bushels, thousands of elevator buyers right on the spot, thousands of miles of railways, and many other lesser conveniences, there is provided a most thorough government grain inspection service. As the wheat flows to market, inspection is made at strategic points, of which Winnipeg is the most important, by trained graders who not only grade the wheat, but also embody in their report, statements on condition of cars, etc. As stated before, if the farmer is not satisfied he has the right of appeal to another government body who make a final decision. The inspection made while the wheat is in transit to Fort William-Port Arthur is known as a primary inspection. When the wheat leaves the terminal it is again inspected under the same regulations and by same standards after which each parcel must be kept intact or in association with wheat of the same grade.

Producer Has All Conceivable Privileges

Though the farmer may have sold his wheat either as "street," "track" or "spot" wheat, he may still, should he think prices might be higher later, make arrangements to take advantage of such higher prices should they occur. At the time he sells the actual grain, he may through a wheat broker buy wheat for any of the future delivery months and later sell the same when he sees fit.

All the privileges conceivable are at the service of the producer.

During September, October and November, farmers deliver about 65 per cent. of the year's total marketings, so that in the area bounded by Vancouver on one side and Fort William-Port Arthur on the other a tremendous rush of grain must be handled. The machinery handling the physical marketing and the sale of this grain might be said to operate at a speed dictated by the marketings of the farmer who must realize on most of the crop at an early date.

Movement Slows Down to Buying Speed

But beyond this zone the condition changes. There the will of the consumer who largely buys on a hand-to-mouth basis is felt, and the movement must adjust itself to a slower rate.

From Fort William-Port Arthur, the wheat is moved onward by a group known as exporters. Their problem is making the final transfer of ownership and possession over to the eastern miller or foreign millers and importers. They may arrange for shipment by rail and water, the cheapest route or by rail to Canadian and United States ports. In the elaborate machinery existing to facilitate this movement, no one part is more important than the method by which trainloads and shiploads of export wheat are made up. An exporter, for instance, might have an order for a 500,000 bushel cargo of No. 3 Northern, but his wheat may be stored in five different elevators. Much time would be lost if the ship had to move from elevator to elevator picking up these different parcels. Accordingly a Lake Shippers' Clearance Association at this stage, takes over the documents covering the different parcels and lets the ship take its load all from one elevator.

Must Hold Wheat in Convenient Positions

In this second zone wheat moves out at the dictates of the consumer or his agents. Orders may be for a cargo for a ship clearing from Montreal or anyone of several American ports. To be in a position to supply these orders the exporter must hold wheat in convenient positions.

It might be wondered why importing countries should not secure requirements in advance. To do so, however, they would have to establish at home the storage facilities which at present are maintained by the exporting countries. In addition, supposing for instance European buyers made a practice of keeping six months supply on hand it would mean the payment of interest for that time on the money paid in shipping charges from the point of export to Europe. These and other considerations led to the present practice of ordering supplies forwarded in volume sufficient to just satisfy existing consumptive demand.

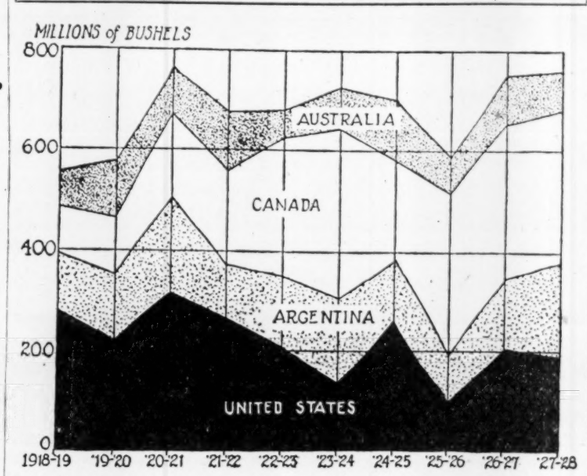
Machinery Developed to Fit Needs

The aforegoing is but a meagre representation of how Western Canada's marketing and export problems have been met and solved to the best interests of producer and consumer. No mention has been made of the vast financial arrangements necessary to operate the commercial machinery to permit the various transferences in ownership which occur in the different phases through which the wheat passes on its way to the consumer nor does space permit of a discussion of the part played by the carrier organizations.

In conclusion, perhaps it is sufficient to draw attention to the fact that the methods used in marketing and exporting Canada's wheat were involved to meet conditions largely imposed by factors outside Canada's jurisdiction. Bulk handling, future markets, storage systems, inspection and other features have been developed into their present form in order that Canada's wheat might hold its own in the world's markets.

For the first time in Canada's history its wheat crop passed the half million bushel mark in 1928, the total yield as finally reported from the bureau of statistics being 533,571,000 bushels, of which 511,444,000 bushels were raised on the western prairies. The aggregate value of all field crops in Canada last year was $1,100,568,000.

Canada Leads in Wheat Export



Exports of wheat and wheat flour from principal exporting countries, crop years from 1919 to 1928.

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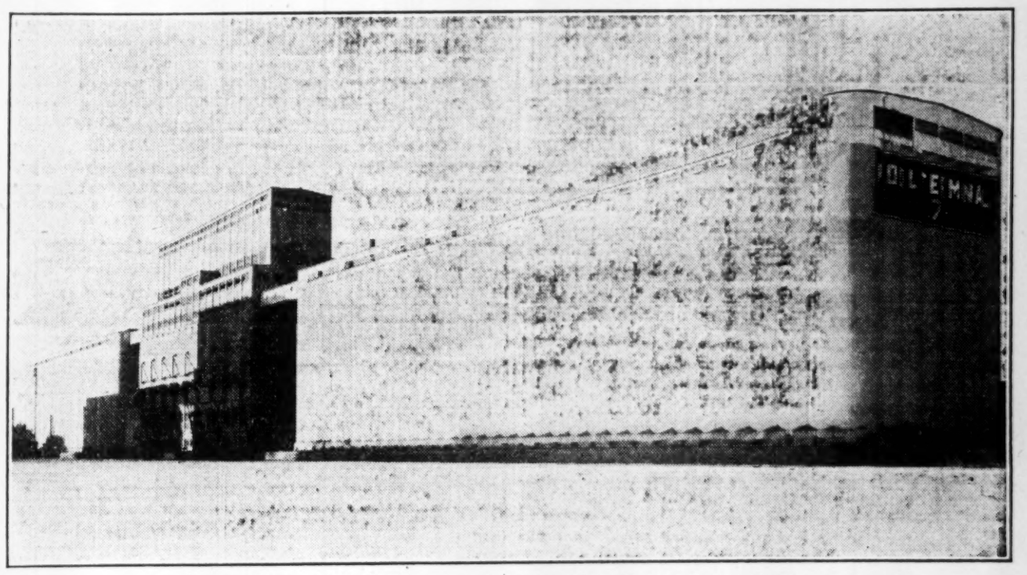

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Capacity 7,000,000 Bushels

Designed by us and built under our supervision

Elevators Completed During 1928

Pool Terminal No. 7, Port Arthur, Ont.	7,000,000 bus.
Pool Terminal No. 2, Port Arthur, Ont.	800,000 "
Pool Terminal No. 1, and Docks, Vancouver, B.C.	2,500,000 "
Fraser River Elevator, New Westminster, B.C.	1,000,000 "
Midland Pacific Elevator, North Vancouver, B.C.	500,000 "
Toronto Elevator, Toronto, Ont.	2,000,000 "

Elevators Now Under Construction

Canadian Government Elevator, Prescott, Ont.	6,000,000 bus.
Collingwood Terminal, Collingwood, Ont.	2,000,000 "
Midland-Simcoe Elevator, Midland, Ont.	2,000,000 "
Canadian Government Elevator, Port Churchill, Hudson Bay	1,000,000 "

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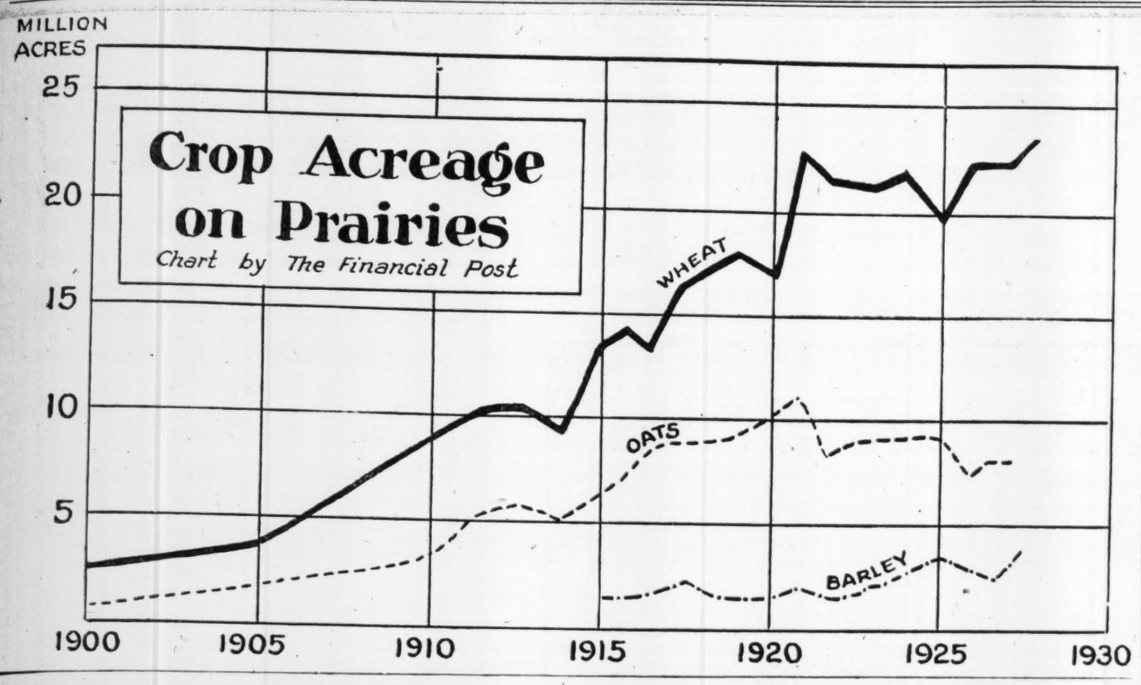

Railways Mobilize 100,000 Freight Cars to Haul Grain Out

Early Preparations on Extensive Scale Are Necessary to See That Western Wheat Gets to Market in Good Time

What is said to be the longest and heaviest train load of grain in the world's history astonished the people of Winnipeg, Canada, one day last autumn, when it pulled into the Winnipeg yards of the Canadian Pacific Railway. It was one mile in length, and consisted of 135 cars loaded with grain, each car 40 feet in length, together with a water car, a caboose and locomotive. The gross weight of the loaded train was 8,727 tons, and the contents of the string of cars reached the total of 202,000 bushels, or the produce from 10,000 acres of land, at an average of 20 bushels to the acre.

The railways play a very important part in the handling of the grain crop. There is first the job of mobilization of a vast array of equipment and then an enormous job of transport.

The task of the railways in handling so gigantic a crop to its export outlets, it can be imagined, is an enormous one and preparations are made long beforehand with a concentration of cars at strategic points. Between 80,000 and 100,000 cars were in readiness throughout Western Canada before harvesting commenced this year to start the movement of the crop, a number greater than in former years, necessitating the drawing of many locomotives from the East. The task confronting the railways throughout the twelve months following harvest may be gathered from the fact that in the last crop year (not the current crop year) 239,214¼ cars of grain were handled at Fort William and Port Arthur, and 1,647½ cars at Vancouver.

The railways organize months in advance to handle the wheat crop.

Early in the season, weeks before cutting was general in the grain fields, the railways were dragging box cars by hundreds across the country and parking them here and there and all over the plains. Not helter skelter, however, for the railway officials took great care to see that they were placed where they would be most needed. Even here, however, they were subject to the weather. Manitoba is usually the first to thresh and, naturally, the bulk of cars are distributed first in Manitoba. If Manitoba drags behind Saskatchewan, however, the railways has to see to it that the cars are moved out quickly and sent to the districts which are ready for them. This is only done by keeping a constant tab on the progress of the threshing, which is a continuation of the check kept on the crop throughout the whole country from the time seeding begins.

Forty Thousand Cars in One Line

By the time threshing is under way, the railways have waiting nearly 100,000 box cars, sufficient locomotives to handle them, and enough cabooses for the great number of crews which are neeessary to run the trains. Preparation means not only having the cars and having them i the right places, but having them in perfect condition. Th moving of grain is strenuous work and every car is thor oughly overhauled before it goes out. All summer long gangs are working over every inch of the track, replacing rails and ties when it is necessary, ballasting, and, in short, keying the whole system up to the highset pitch in order that no delay may occur in the movement of the crop.

With the preliminary arrangements completed, the handling of the grain resolves itself into the movement of loaded cars and the distribution of empties. Shipments westward to the Port of Vancouver and north to Prince Rupert have increased greatly within the past few years, but the bulk of the crop still goes eastward to the head of the lakes.

The unloading and redistribution of empty cars is one of the greatest problems with which the railway has to contend. When the cars are emptied at the lakehead, the number required to handle coal, or other freight originating there, is kept out and the others are sent back west again. Out of every four hundred cars emptied at the head of the lakes one hundred are required for re-loading to western points, and of the remaining three hundred which are moved empty to Winnipeg, one hundred are required for loading at Winnipeg and the other two hundred are available for distribution as empties. Of course, the first two hundred are later available for re-loading when they are released at their destinations.

How Cars Are Distributed

The telegraphic reports showing the number of cars required at the elevators and the loading platforms at different points are carefully scrutinized in Winnipeg each day and the empties are billed west to the different division, in accordance with the Grain Act. The division superintendents nearest Winnipeg are instructed to hold out their allotment and send the balance through to the next division where like instructions are issued, and these instructions are continued in turn until the entire territory is covered. After forwarding the empties to the next division, the superintendent's attention is then turned to the distribution of his own allotment to the grain-loading points on his territory and his car distributor, who makes a constant study of the situation, makes the best possible distribution of the empties at his disposal, and to supplement this supply he uses to the best advantage the loaded cars made empty in his territory.

It may not seem to a shipper or a consignee that the situation can be helped to any extent if he loads or unloads a car promptly, but if each would remember that there are at least 2,000 grain-shipping points in the west, he would realize what it means not only to the railroads but to grain shippers also to have cars loaded and unloaded without delay. To assist not only the railroads but the shipper as well, the much-abused demurrage charge work toward the desired end, but it can be readily understood that the railways would much prefer to have their cars earning freight charges than to have the nominal fee imposed to secure prompt loading or unloading.

One thousand acres of farm land at Morinville, north of Edmonton, on the C.N.R. were sold recently for $57,000.

Government Body Regulates Grain

All Transactions in Grain Trade Are Governed by Strict Legislation, Rigidly Enforced

The grain trade in Canada is regulated by the Dominion Government. A Board of Grain Commissioners is the ruling body. The Canada Grain Act is the governing code.

The Board of Grain Commissioners enforces the Canada Grain Act. The Canada Grain Act sets down specific rules to cover practically every transaction in grain, from the time the farmer delivers it to the nearest country elevator until it is delivered to a Canadian flour mill or shipped out of the country.

In the Canada Grain Act and the Board of Grain Commissioners for Canada exists the most complete system of regulation that rules any business anywhere in the world.

Three Members on Board

The Canada Grain Act is administered by the board which is part of the Department of Trade and Commerce. There are three members on the board appointed by the Dominion cabinet for ten-year terms. One is a chief commissioner and there is also a secretary. All members of the board are required to live at Fort William and to give all of their time to the work of the board. They must not have any interest in any branch of the grain business.

The Canada Grain Act provides that all track buyers, all owners and operators of elevators, all grain commission merchants and primary grain dealers, shall take out annual licenses. They get their licenses from the Board of Grain Commissioners each season. Thus the board has automatic control of every person in the business. If anyone offends the board, he can be put out of business through withholding or canceling of his license.

Some Hold Three Licenses

In practice a number of those in the trade hold licenses for two or three of the functions indicated, because there is necessarily overlapping between the different groups. But, as the license fees are low, there is no hesitation in the payment of three fees.

The actual work of the board falls under three heads—administrative, commercial, and judicial. The administrative work comprises issuance of licenses, and the approval of bonds, the inspection and weighing of grain, the fixing of elevator tariffs, the registration of warehouse receipts, and the compilation of statistics.

The board carries on commercial operations, for it manages the various Dominion Government elevators in different parts of the country.

It has judicial powers in so far as these have been granted by the act. It investigates complaints of undue dockage, improper weights, or grading; of refusal to furnish cars; of fraud or oppression; of violation of the Grain Act.

Inspect Many Cars of Grain

One of the most important branches of the work is that of grain inspection. All grain passing out of the western area to market is inspected and graded, a colossal operation involving inspection of no less than 300,000 cars per year in one city alone, Winnipeg. Total inspection totals over 400,000 cars a year.

Incidentally the administration of the Canada Grain Act is more than self-supporting.

WHEAT DELIVERIES REACH HIGH TOTAL

Between August 1 and February 8 there have been delivered in the Prairie Provinces 413,664,024 bushels of wheat. This is more wheat than was ever before delivered in a whole crop year, exceeding the deliveries of 1923-24 by over 11 million bushels and those of 1927-28 by 6 million bushels. That a substantial quantity still remains on farms to be marketed is certain, but its exact proportions cannot be determined.

The weather during the past few weeks has been severe and there has been no incentive in price to stimulate marketing. One factor, the effect of which cannot be calculated, is the provision for some sort of carrying charge to be paid to Pool members in Saskatchewan and Alberta on grain held on farms to certain dates. This may be influencing the rate of delivery at the present time. Even without taking into account any unusual factors it is already clear that last year's crop must have exceeded 500 million bushels.—Grain Trade News.

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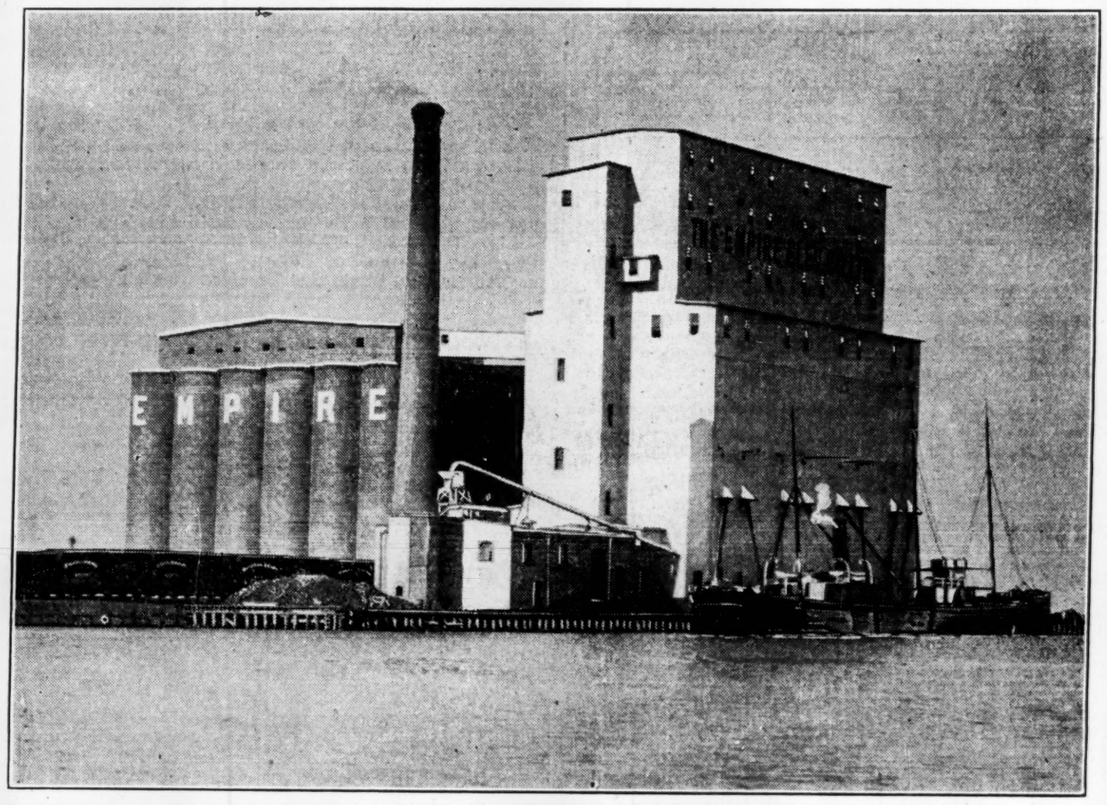

Empire Elevator, Fort William

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1,750,000 Bush. Capacity

Thunder Bay Elevator, Port Arthur
1,500,000 Bush. Capacity

Grain Grade System Result of Experience Over Term of Years

Demands for Change Are Heard from Time to Time But It is Not Certain They Would Mean Improvement

CANADIAN STANDARDS ACCEPTED BY WORLD

They are little optimistic—or pessimistic—who say that that visual grading of grain is threatened with extinction in Western Canada and that chemical tests of all grain will supplant present inspection and grading methods. There has been much discussion of the grading of grain according to its protein content, but it is not by any means established that the protein test will ever completely supplant a system of grain inspection and grading that has grown up over a term of years of experience and that has served to establish high standards for Canadian grain the world over.

The establishment of standards for grain has been placed in the hands of responsible authorities and the actual inspection and grading is done by employees of the Dominion Government. The work is one of the important functions of the Board of Grain Commissioners.

Every shipment of grain from Western Canada is placed in one grade or another. These names represent fixed standards. The identity of each grade has been preserved. The advertising value of this is enormous. Canadian grain producers gain very much in foreign markets from having fixed standards attached to their product.

Permanent standards and strict grading are as much in the interest of the producer as of the foreign miller or other customer for Canadian flour.

Want Protein Premiums

But while grain has always been bought and sold as No. 1 Northern, No. 3 Rejected Smutty or some other of the more than fifty classes recognized by the inspection officers, it has been observed that millers, who are the world's big wheat buyers, often step outside the boundaries of these classes in stating the price they will pay for wheat. Often some of the lower grades sell at higher prices than grades nominally higher in the outward qualities of hardness, cleanliness, moisture content, etc. Often too millers will offer premiums over the cash price for a certain grade of wheat in order to get grain of a protein content that they require.

When the producer noticed this condition of affairs he began to wonder if the present system of grain inspection, which took little notice of protein content, was insuring him of the highest price possible for his wheat. Forgetting perhaps that protein grading might reduce the grades on much of his grain, he saw only that his grades would be raised on occasion by a chemical rather than a visual test of his grain and that such a test would insure him of the premiums that millers were ready to pay for grain of particularly good baking qualities.

When Chemist Enters

To-day, the world over, wheat is sold by grade. But there are more than 54 grades in the Canadian system. It is a cumbersome affair, though as producers, brokers and millers admit, the only practical one endorsed by merchandising methods. It takes into consideration four important elements—soundness, cleanliness, weight and hardness. That is the visual test.

This method applies up to the time wheat reaches the miller. Then the chemist appears in the picture. That is the time the element of protein values comes in for consideration. Because of the chemist the trade finds a demand for Nos. 3, 4, 5 and even lower grades when No. 1 is ignored. One crop will have a much heavier protein value than another, without any known reason. But this chemical quality determines not only the appearance of the loaf, but the taste and actual food value.

To obtain the so-called "baking" qualities, millers regularly are in the market for lower grades. Because they may require just that kind of grain to mix with much more expensive grades, a higher than grade price is paid.

This is a "Premium"

So the producer wants to get this added value and he wants to be sure when it is present. For that reason the government is being urged to establish a chemical method of grading. The appointment of a Parliamentary commission last year to consider the problem was a long step in that direction.

The big obstacle is the slowing down of the marketing machinery if every sample must be submitted to the chemist. In season 1,000 cars are graded in a day at Winnipeg under the visual method. All the chemists in the world would have to be employed to reach that speed, under present conditions. But it is hoped a speedier way will be found.

Satisfying Customers

But with the exception of the agitation for protein grading, the present system of grain grading is giving a high degree of satisfaction. A little thought will show the need for a proper grading system.

The ultimate consumer places his faith in the producer, counting upon him to give him what he wants and must have. If the producer fails him, his confidence is shaken. The grain trade of Western Canada and the Dominion Government conjointly insure that the purchaser shall not be disappointed.

The miller establishes certain standards for the flour that he will produce. He combines fixed quantities of different grades of wheat and produces a flour with qualities that must be definite and uniform. He knows from experience and analysis that one combination of wheats of different grades will produce a bread flour that will satisfy his trade. Another combination will give him a cake flour, another a pastry flour and another a pancake flour.

Makes Standard Flour Possible

Within these groups are further modifications. Pink Rose Flour is the product of one miller who uses a certain combination of grades. Black Knight Flour is the product of another miller who uses a different combination of wheat. The differentiation may be very delicate. Each miller advertises his flour and educates the public to the use of his brand. If the brand changes, the public notices it and the miller loses trade. One factor in producing flour of defined quality is his own treatment and milling methods. That is something over which he alone can exercise any measure of control. Another factor is the grade of the different wheats used. Over that he has less control and he therefore relies upon the uniformity of the standards established and maintained by government inspectors and upon the judgment shown in applying that grading to his wheat purchases.

Another factor must be considered; the miller buys wheat months in advance. Obviously, he can only buy by grade or standard. He can pay in this manner with complete assurance that when his grain is delivered it will be what he contemplated.

Many causes may injure wheat for milling purposes:

It may contain mixtures of other cereals or of various seeds; of barley, oats and flax, of cactus, cockle, darnel, garlic, wild mustard, wild oats, pigweed, ragweed, stinkweed, etc. Wheats containing these are bought by the millers, who establish values for them. But the values are influenced by the condition of the grains. The inspection department estimates the quantity of such foreign seeds and sets a "dockage" or allowance to be charged against the price, because of them.

The wheat may be free from admixtures but still be unfit for milling either because it is affected by diseases, such as smut; or because it contains too large a percentage of moisture, which renders it tough, damp or wet; or because it is dirty, or musty; or because it is heating or binburnt. This indicates the second element in inspection, the fixing of the condition of the grain.

It may be free from all of the above and still vary in value for milling purposes. There are many varieties of wheat, differing in their yield of flour, both as to quality and quantity. Wheat grown as hard spring wheat may contain too large a percentage of other varieties to be graded high. And when this is not the case, different lots of hard spring wheat may vary in weight per bushel, in color, in plumpness and those qualities which are best for the production of high-class flour.

The supreme test of wheat is its milling and baking value and, judged by this test, wheat, as delivered by the farmer, shows many and wide variations. The resulting classes are called "grades" and similarly there are grades of oats, barley and flax.

Classes of Grain

The Canada Grain Act divides grain into five general classes, certain of which are divided into grades. These classes are as follows, starting from the bottom:

No Grade. This means all good grain that has an excess of moisture, being tough, damp or wet or otherwise unfit for warehousing.

Condemned grain, which is grain that is in a so-called heating condition or that is badly binburnt, whatever grade it might otherwise be.

Rejected grain means all grain that is unsound, musty, dirty, smutty or sprouted or that contains a large admixture of other kinds of grain, seeds or wild oats or that from any other cause is unfit to be classed under any one of the recognized grades.

Commercial grade means grain which because of climatic or other conditions cannot be included in the grades provided for in the Canada Grain Act. The grades for such grains are not fixed by statute of the Dominion Government, but are graded according to standards established for each crop year by a board of standards. This board, consisting of experienced grain men and research students, meets in the fall of each year and establishes the grades for wheat that may be considered in the secondary class as to quality. Canadian Government appoints the board.

Statutory grades are the important grades established by Act of Parliament, which do not vary with the crop, but are standards of quality from year to year and in all grain trading. The "statutory" grades include all grain of superior quality. For spring wheat, for instance, there are four of these constant unvarying grades—One Hard, No. 1 Northern, No. 2 Northern, and No. 3 Northern.

Unchangeable Standards

There are many lesser grades in the non-statutory classes. As many as 200 different grades of wheat may actually exist and be bought and sold. But on the grain exchange only six are quoted. These are divided into many subsidiary classifications, but these subdivisions are ignored in grain trading on the exchange. Some explanation of this may be necessary. If so many grades exist and are bought and sold, how is it that trading may ignore the different subsidiary grades? It is because fixed "spreads" of price are set up between wheat of a quoted grade and wheat of a grade not quoted. The other grades follow the quoted grains up and down and, although not quoted, are bought and sold on the floor of the exchange at prices that are established by reference to the quoted prices of statutory grades. For the purpose of understanding the system of grading it is not necessary to list all of the different subdivisions in grading. Only the four mentioned are fixed by Act of Parliament. The next general group of grades, the commercial grades, are fixed, as we have seen, by a standards board each year.

Grain Stored by Grades

Whenever grain is stored in Western Canada it is stored by these grades. No attempt is made to keep any one shipment of grain separate from others of the same grade after it has been inspected, and/or after the grade has been agreed upon between buyer and seller. This reduces handling costs very materially. If it were considered necessary to keep every individual shipment of grain separate all down the line, the cost of handling would be prohibitive. But when the grade of a shipment has been fixed, grain of other shipments of the same grade may be poured with it. A man who buys 10,000 bushels of No. 2 Northern Smutty, let us say, is satisfied so long as eventually 10,000 bushels of wheat grading No. 2 Northern Smutty is delivered to him, and he care not whose grain he gets. He knows that he can rely upon the grading. It is important for these reasons that the grading of every shipment be accurate and that no mistakes be made in shipping or storing.

Thus upon the grain inspectors of Western Canada there falls no easy task. They stand between two opposing interests, the farmers and the millers, the one naturally wanting his wheat grade raised, and the other watching carefully to see that nothing is put over him. In the height of the season they must work at top speed to keep up with the grain movement. They can have few mechanical aids, but must rely upon the sense of sight, smell and touch to a large extent. Their work is of supreme importance, for upon their verdict, which is based upon their mature judgment, depends the price per bushel the farmer will get and the buyer will pay.

Grain inspectors are appointed after careful examination and without political patronage.

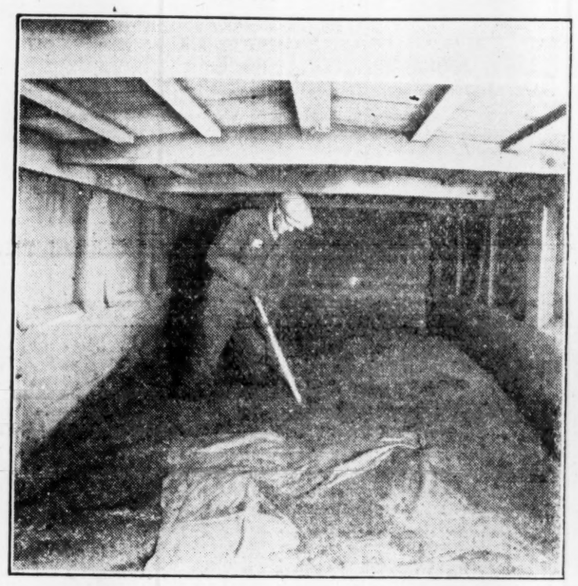
Winnipeg Chief Centre

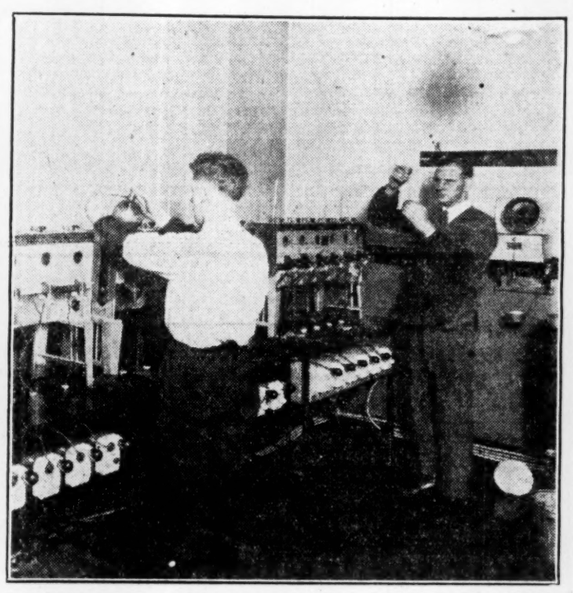
Winnipeg is the chief inspection centre, for through Winnipeg passes practically every bushel of wheat shipped eastwards. There are grain inspection centres at other local points for shipment going west or south.

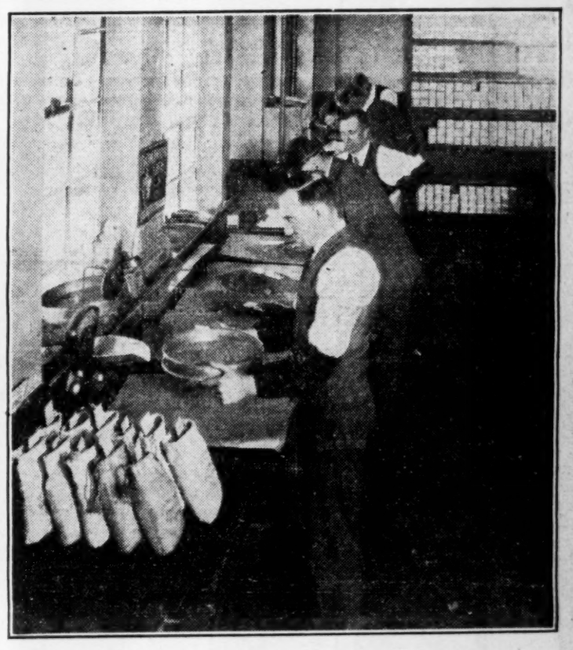
Winnipeg is a railway centre. Trainloads of grain come from all over the prairies to Winnipeg, are broken up and made up into new trains to go to the eastern terminals. Every load must be inspected, although at the height of the season as many as 2,000 cars a day of grain will pass through. Samples are taken from the cars by crews of men who rush the samples to the inspection office uptown. Here an immediate grading is given and a certificate issued and mailed to the person interested. The grain is taken into the elevator terminal at Port Arthur or Fort William on the basis the grade granted at Winnipeg, although a second inspection at this point may be demanded and obtained if there is reason to believe that a mistake has been made.

Provision is made for appeal to a survey board appointed by the Government. Grading is also carried on at Calgary for grain moving westwards.

Grain Grading System Establishes Standards Recognized Throughout Whole World







As cars of grain pass through Winnipeg and Calgary, they are sampled by employees of the Board of Grain Commissioners for Canada, and the samples are graded according to strict government standards. At the left, a car is being sampled. The centre photograph shows grain undergoing the moisture test at Calgary. The photograph at the right shows a corner of the inspection room in Winnipeg where grain is graded by visual tests.

—Photographs courtesy Canadian Pacific Railways.

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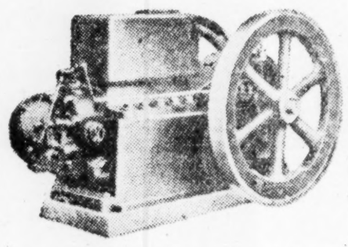

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In these great elevators (and in many others)
Fairbanks Hopper Scales speed
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Reliance Grain Co., Fort William
Western Terminal Elev., Fort William
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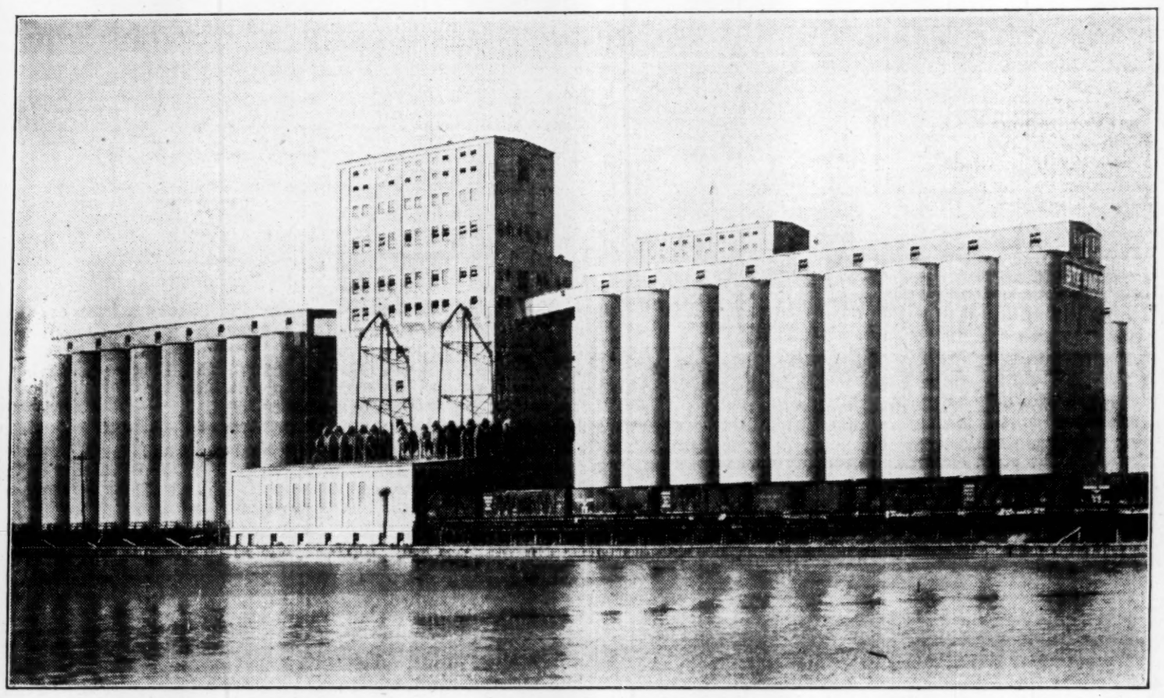

The Two Million, Three Hundred Thousand Bushel Elevator located at the lakehead for the Service of the Western Grain Shipper

THE Stewart Terminals, Limited, owns and operates a modern terminal elevator at Port Arthur, Ontario. The terminal is fully equipped with all machinery necessary for rapid handling of grain in bulk.

Stewart Terminals
Limited

Head Office: Winnipeg, Manitoba

Grain Exchange Gains Importance as Trading Grows

Seats Soar in Value to $15,000, Providing Evidence of Growing Importance of Great Winnipeg Trading Institution

A year ago seats on the Winnipeg Grain Exchange sold for $10,000. To-day their "market value" is about $13,500. This may be taken as representative of the degree of advance recorded in the prestige and activity of this grain market during the past year.

Another indication of the increasing size and importance of the Winnipeg Grain Exchange is seen in the fact that during the past year it has been found necessary for the Traders' Building Corporation, the body that owns the grain exchange building to build an extensive addition to this edifice, making it one of the three largest office buildings in Canada.

J. A. Crowe is President

Winnipeg Grain Exchange recently held its election of officers for the coming year and J. A. Crowe, vice-president of the British Empire Grain Company, was elected president. In this office he succeeded E. W. Kneeland.

The secretary is Dr. Robert Magill, one of the best informed grain men in the Dominion, a former chairman of the Board of Grain Commissioners for Canada.

Both Cash and Futures Trading

All kinds of grain trading is carried on in the trading room of the Winnipeg Grain Exchange, including cash purchases and sales, hedging operations and plain speculative trading in futures. But emphasis is upon cash trading. Chicago Board of Trade holds premier place as a great speculative grain trading institution, but Winnipeg is the leading cash wheat market of the world.

Actual figures of the volume of trading on the Winnipeg Grain Exchange are not published nor is information given out as to the comparative amount of cash and future trading. But it is nevertheless recognized that Winnipeg leads as a cash wheat market.

Adjunct of Grain Business

This cash wheat market is a most valuable adjunct of the business of growing and handling grain. It provides a ready meeting place for those western farmers who grew over 500,000,000 bushels of wheat during the past year and the world's buyers of wheat. Most of Canada's wheat is marketed through the Winnipeg Grain Exchange, for although the wheat pools have introduced "direct selling" and through agents in different countries sell much grain direct to foreign buyers, they still utilize the grain exchange for a large part of their grain. And particularly all of the balance of the wheat produced in Canada is bought or sold on the exchange at some point in its journey to the country of import. Of course Canadian producer and the foreign importer do not meet face to face on the floor of the exchange, but they are nevertheless joined together by a chain of agencies, and the central link in that chain is the exchange.

All Types of Members

The Winnipeg Grain Exchange may be compared to the Montreal or Toronto Stock Exchange which provides a place where investors may buy or sell securities. But the Grain Exchange is perhaps an even more intimate phase of the grain business than the Stock Exchange is of the investment business, because a very high proportion of the members of the grain exchange represent people and bodies who are selling their own wheat or buying it there for their own needs.

Goes Back to 80's

Although the present Winnipeg Grain Exchange dates back only to September, 1908, there has been some form of grain exchange in operation in Winnipeg ever since 1887, the year the Canadian Pacific Railway was completed through to the Pacific Coast and linked up with the East.

The first attempt to form a grain exchange in Winnipeg came in the year 1883, when the grain business was still in its swaddling clothes. Grain was sent to the head of the lakes and stored in sheds, there being no elevators for some time after that year. In fact, 1883 was the year in which the first shipment of grain was made across Lake Superior, the barge Erin having the honor of initiating what has become the greatest shipping movement in inland commerce anywhere in the world. This first attempt to form a grain exchange did not meet with success.

Four years later a second attempt to form a Grain Exchange met with success. Under the name of the Winnipeg Grain and Produce Exchange it early became a factor of importance in the handling of the 1,300,000 bushel wheat crop of the prairies. As elevators were established the exchange grew in importance and in 1908 a provincial charter that had been granted by the Manitoba legislature, was given up, permitting the Winnipeg Grain Exchange to be formed as a voluntary association rather than an incorporated body. Its progress has continued to be rapid as its present membership of 368 and the present $13,000 market value of its seats attests.

Some Are Brokers

The Grain Exchange is a body or association of people who are engaged in the grain business. Some of them are owners and operators of elevators, either country elevators along the railway lines of Western Canada or terminal elevators at the great lake or ocean ports. Some of them are brokers who own no grain, run no elevators and control no boats, but who simply sell wheat for the farmer or the speculator or buy it for the miller or trade. For performing this service they charge a fee just as the stock broker provides a fee for buying or selling a share of stock. The fee is small; one cent a bushel will pay all the costs of finding a buyer for wheat. No producer could sell his wheat at such small cost if the business were not so thoroughly and well organized.

Some Farmer-Company Members

Others of the members of the Grain Exchange are shippers, exporters or vessel brokers. There are millers on the grain exchange, mixing right in the actual trading in order to reduce the spread between the producer of grain and the buyer of flour to the irreducible minimum. There are representatives of large companies that are controlled outright by the farmers, companies that own and operate elevator systems, even grain marketing. There are a few railway men and bankers on the exchange. They do not trade in grain, but as their companies transport the crop or finance it, their interest in grain is apparent. However, they are not active in the exchange and are there probably because they helped to start it and never dropped out.

Incidentally, it may be well here to emphasize that most of the members of the Grain Exchange are members because they are actively and directly engaged in the business of handling Canada's wheat crop as it is produced by the farmers and purchased by those the world over, who require wheat and other grains. There are 368 members. These are the elevator men, the cash grain brokers, the cash grain commission men, the millers, the maltsters, the shippers and the exporters, and only a certain number of the balance represent the traders in "futures," the valuable though somewhat misunderstood speculative side of grain trading.

Objects of Grain Exchange

The Grain Exchange is a purely voluntary association. It is not even incorporated. Its members are all individuals, although they may represent companies, associations, partnerships, etc.

The centre of the Grain Exchange is a large room in which members meet to do business. This is a place of absorbing interest. It is a very mysterious place for the uninitiated; during trading hours, especially when the exchange is very busy, it provides a picture of feverish activity. Traders stand on the steps of a "pit" or small circle where they receive orders and execute them by verbal transactions between one another. As millions of bushels of grain are changing hands daily, traders must work at top speed and this makes necessary a great deal of shouting to one another, supplemented by signalling with recognized symbols made with the fingers. To a grain man, this is simple and well understood. To the outsider it is apt to be very confusing just as the use of chemicals to produce a fixed image is confusing to the man who knows nothing of photography, or the machinery in a power house to the man who has not studied electricity.

Speeding Up Transactions

In the trading room is every mechanical device that makes for dispatch. The telegraph instrument, the radio, bells and buttons, all serve to speed up business. The trading room of the exchange is merely two men meeting to shake hands over a bargain of some kind, multiplied a hundred fold.

Market Information

The Grain Exchange provides market information. No producer of any commodity, other than grain, has at his command daily, even hourly, such a vast store of up to the minute information as has the producer of grain. The wheat farmer, at any minute of the day, by getting in touch with the nearest brokerage office or other contact with the Grain Exchange, can find to a fraction of a cent the immediate price of any grade of any kind of grain; the visible supplies throughout the world, or any other information touching his interests. The Grain Exchange must be given a large part of the credit for collecting and collating this information and putting it freely and openly at the disposal of the public. Every morning the Grain Exchange is in receipt of cables from different market centres of the world, and dealing with supplies and prices of grain. Every second it is in possession of the immediate prices of grain in Chicago and other wheat markets.

Instantaneously the prices quoted in actual transactions on the floor of the Chicago Exchange are marked on a system of blackboards posted where the members may see, and the prices go out at once by wire to grain offices all over the world.

Whole World at Glance

These blackboards are amazing records of the grain trade of the world. "Continuous quotations" from Chicago, Minneapolis and Duluth are there; cabled prices from other markets; figures on the movements of grain the world over. The Grain Exchange does not make grain prices; but with such a vast store of information available to the members and other grain traders the world over, the price of any kind of grain finds its proper level with lightning speed.

In such a vast organization the possibility of dispute is always present. Most of these may be of a minor nature Two traders, for instance, may, in the rush of business, misunderstand each other in a transaction. The possibilities for such misunderstanding are enormous and the wonder is that they are so few. To resort to the courts to settle all such disputes would be expensive, tedious and unpleasant. The courts would soon have the whole exchange entangled in a haze of difficulties. The Grain Exchange overcomes the necessity for such litigation by establishing machinery for dealing with such disputes. Misunderstandings are corrected by this arbitration, cheaply, quickly and satisfactorily.

Fixed Commission Rates

The Grain Exchange has fixed commission rates. Obviously it is highly desirable that the buyer or seller of grain should know just what it is going to cost for him to carry on a transaction. Fixed rates of commission and brokerage are necessary. It is equally desirable that these rates should be fixed for all transactions carried on by members. A situation wherein price-cutting between grain dealers was prevalent would be intolerable and would lead to serious abuses, and benefit to no one. And so the exchange fixes these rates. The rates are low compared with those fixed in other grain markets in North America and are low in the light of present day expenses of doing business.

Negligible Factor in Price

It may well be emphasized that they do not noticeably affect the production or price of grain. The uniform rates have been fixed at such a low figure that they have only a negligible influence on the price paid by the ultimate consumer or receiver by the primary producer.

Customers or members of the exchange know, in advance of any transaction, what the charge for service will be and they have assurance that it will be certain, definite, uniform and moderate.

By fixing uniform rates, the Exchange eliminates competition so far as charge for services is concerned. Quality rather than cost of service is brought into force. What customers want in their agent is efficiency, skill, security and integrity. By eliminating the question of the price of the service, and placing the emphasis upon the kind of service as the prominent factor in building up a clientèle, this system promotes higher standards of trading and of business conduct generally.

The exchange regulates forms of contracts for future trading. The regulations issued in this respect are very complete and indicate the grades deliverable under the contracts, the conditions under which warehouse receipts will be accepted on delivery, the depositing of security and procedure in cases of failure to deliver.

Grain Act on Cash Deals

The Grain Exchange does not draw up forms of contracts for cash grain transactions, etc. This is because the Canada Grain Act, a very bulky piece of legislation, goes into the most minute detail in outlining such contract forms. It provides contracts for country elevator operators, commission men, track buyers, and public terminal elevators.

All members of the grain exchange are governed by very strict by-laws, self-imposed, that maintain the highest possible standards of business conduct. These by-laws need not be discussed at length. What some of them cover may easily be imagined; others are needed in a sense that is not immediately apparent to the casual observer. Among the rules governing floor trading, for instance, is one that provides that every bid made must be an "open bid." That is to say, it must be open to the whole market. Thus no tinkering with prices can be made by two or three members.

The Winnipeg Grain Exchange was never a stronger and more valuable institution than it is to-day.

Functions of Grain Exchange Reduced to Six Sentences

The Winnipeg Grain Exchange performs very definite functions. They have been outlined as follows:

1. It provides a market place.
2. It provides market information.
3. It provides a system of arbitration.
4. It fixes commission rates.
5. It regulates forms of contract for future trading.
6. It makes and enforces a set of by-laws, rules and regulations required for the first five functions.

Premier Grain Port, Montreal Sets Record In Handlings of 1928

Is Established as World's Largest Grain Port—Handled 428,261,400 Bushels in Past Season

Montreal—the greatest grain-handling port in the world. This is the name that Canada's inland port has won for itself through its ability to handle 428,261,388 bushels of grain in one season of navigation. Though the amount of grain handled in 1927 constituted a record at the close of that year, the bumper crop of 1928, and the adequate facilities provided by the Montreal Harbor Commissioners for handling the traffic, brought the total number of bushels passing in and outward from Montreal far above any previous figure.

Many new records were created in establishing this precedent. Among these are the largest total single receipts for any one day, the largest total deliveries for any single, day, the largest export of wheat for any single season and, finally, the largest margin of supremacy over all competing grain ports, including those open all the year round.

Only Open Seven Months

The dominating position of the Port of Montreal is the more noteworthy when it is recalled that the port is open for navigation approximately only seven months of the year. The port was officially opened for navigation with the arrival of the first steamer on April 26. Until the end of August there was no indication of the tremendous volume of grain that was to pour into the elevators and tax their capacities to the utmost. Quite suddenly, at the end of the month of August, there was a sudden rush of orders. This, coupled with a strengthening in the grain market, made both receipts and deliveries soar above all previous records. This deluge of grain was maintained until the end of the season.

Despite the large number of bushels shipped for export and the amount of tonnage involved in its shipment, there was no congestion in the harbor. Tramp tonnage in the harbor has showed a large increase in recent years. Before the war, the Black Sea ports did a huge grain trade, and the tramps naturally made their way to the Black Sea. Since the war, however, Canada has had an opportunity to build up its grain trade to great proportions, with the result that the tramp steamers have been making their way to Montreal in large numbers.

Comparison of Figures

Tabulated, the export figures for the 1928 season of navigation, compared with those of 1927, were as follows:

	1928	1927
Wheat	144,341,048	118,842,240
Barley	29,317,374	23,172,023
Oats	15,100,517	8,034,795
Rye	13,402,450	34,826,994
Corn	382,244	140,563
Buckwheat	24,121	26,456
Peas	8,177	24,016
Totals	202,575,931	185,067,087

Increase over 1927, 17,508,844 bushels.

Delivery Figures

Harbor Commission delivery figures show that an additional 10,000,000 bushels were handled outward last year by the four elevators, but this amount was for consumption by local mills, and a small quantity went forward by rail to winter ports. A comparison of receipts and deliveries for the last five years is interesting:

Year	Deliveries	Receipts
1928	211,136,930	217,124,458
1927	195,247,914	194,287,310
1926	134,591,240	135,897,882
1925	166,212,335	163,801,725
1924	159,159,688	165,139,399

Increase in Tonnage

There is a quantity of grain in storage in the Port of Montreal. The elevators of the Harbor Commissioners have a storage capacity of 15,162,000 bushels, which is being fully utilized. In addition to this there are some 25 lake steamers wintering in the harbor, giving storage to another 2,250,000 bushels of grain.

The grain trade of the port is not the only section to show a marked increase in its activities. There was an increase in the tonnage of ocean-going vessels entering the port which totaled 4,734,681 tons during the season.

Many new passenger ships made their first appearance in Montreal in 1928. The White Star Line placed on the run the S. S. Laurentic, which was specially built for St. Lawrence passenger traffic. This boat was followed by the Canadian Pacific Duchess of Bedford, and Duchess of Atholl, which are the biggest ships sailing from the port at present. In addition to these passenger ships, many other new ships, including the big Beaver class freighters, made their way to Montreal.

Already reports are coming from the lower St. Lawrence that the ice is beginning to move out of the river. Montreal is still icebound and silence pervades the docks, but in two months' time the first steamer will be nosing its way into the harbor and then the Port of Montreal will roll up its sleeves and begin its business once again of supplying the world with its most essential need—grain from the Canadian prairies.

Wheat Makes Up Fourth of North American Diet

Wheat now contributes about one-fourth of the calories of the North American diet. According to the Food Research Institute of Stanford University, California, it is still the outstanding single staple foodstuff. In most southern European countries wheat contributes a larger proportion of the total calories of the diet than here; but in countries where rye or rice is the staple cereal, its contribution is smaller. Its nutritional importance lies primarily in the starch content, not in the content of protein, mineral elements, vitamins, or roughage.

To consume wheat as whole wheat bread instead of white bread would make no essential contribution to health, and would not be in the interest of national economy at least so long as our present diet continues to prevail. Protein, minerals, vitamins, and roughage are adequately available in other foodstuffs, and need not be sought in whole wheat bread. Nutritional security in the diet is rather to be sought in the milk supply; and perhaps more than an eighth of the milk supply is secured from mill offals of wheat. Removal of the supply of mill offals, with attendant shifts of feed-crop production, scarcely appear advantageous. Only in such countries as India and China, where the diet is little diversified, are nutritional or economic advantages to be secured by consuming whole grains rather than highly milled grains.

Wheat now ranks as one of the cheapest foods. Per capita consumption appears to be increasing in the world at large, but not in the United States or in Great Britain, Canada, and Australasia. Under present conditions there is little reason to anticipate increased per capita consumption here, despite appeals on behalf of producers.

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Makers of **FIVE ROSES FLOUR**

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KEEWATIN, PORTAGE LA PRAIRIE
MEDICINE HAT

DAILY CAPACITY: 40,000 bags of 98 lbs.

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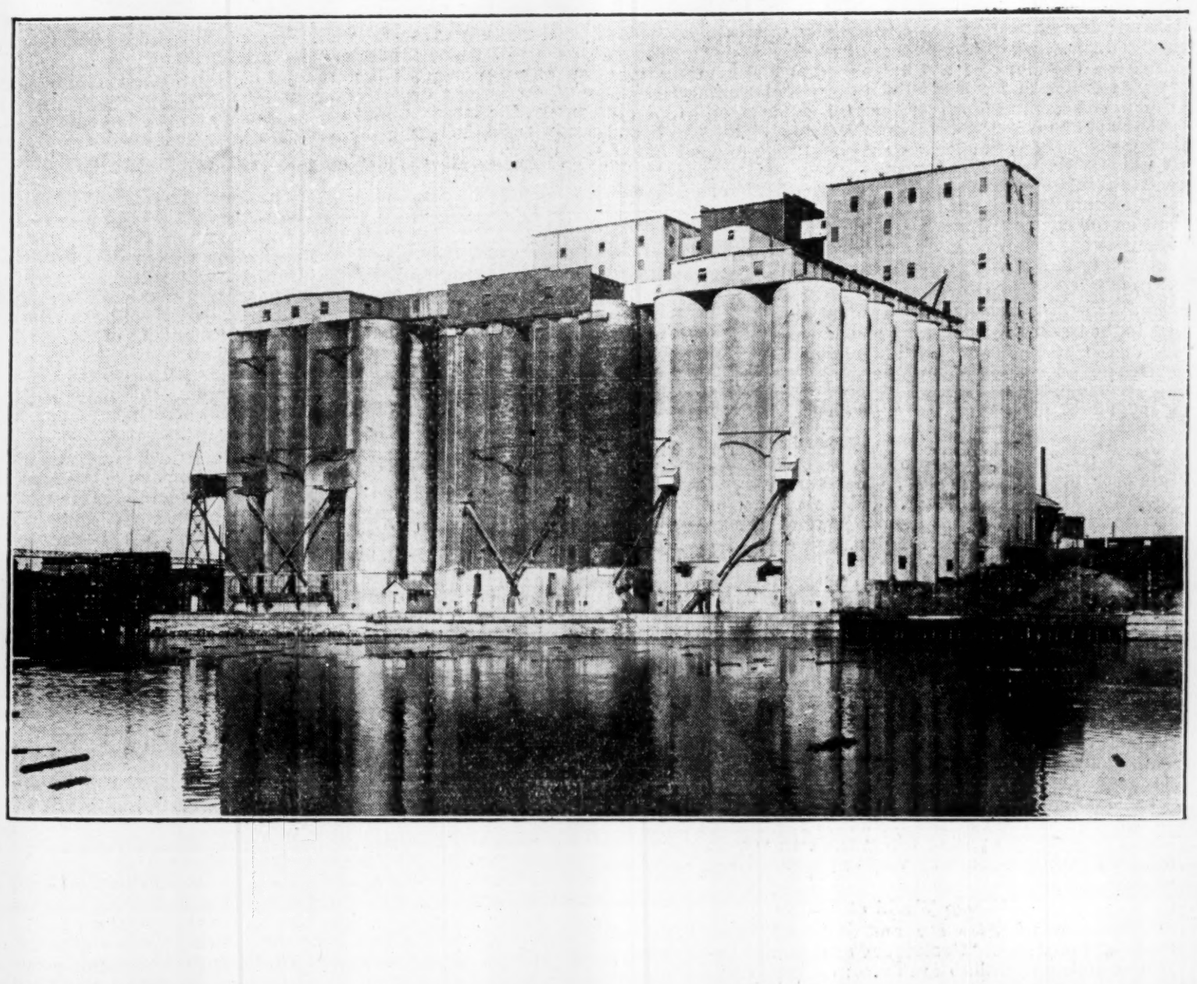

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SUCCESSORS TO

BEAVER ELEVATOR CO., LTD.
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Terminal Elevator:
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Capacity 3,250,000 Bushels

Head Office:
GRAIN EXCHANGE
WINNIPEG, MAN.

280 Country Elevators
Manitoba and
Saskatchewan

Featuring the Grain Trade of Canada

FOURTH SECTION

THE FINANCIAL POST

FOURTH SECTION

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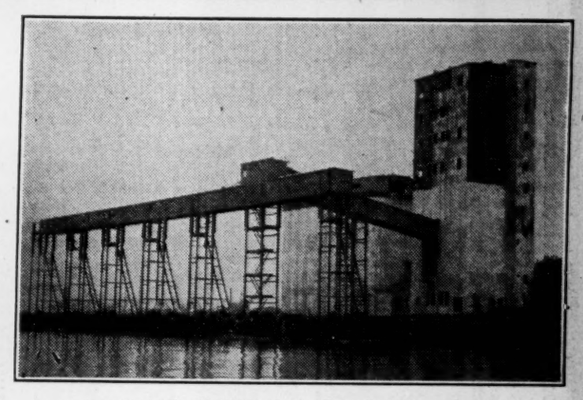
Grain Trade of Canada Progresses as Grain Production Grows

The heart of the grain trade in Canada, the Winnipeg Grain Exchange building where are located the grain exchange offices as well as the headquarters of most of Canada's leading grain houses.

Harvesting a field of grain in Western Canada. —*C.N.R. photo*

Assembling train loads of grain at Winnipeg for shipment eastwards. This is the C.P.R. "hump" where the power of gravity is brought into play in switching cars.



One of the Pacific Coast's new grain elevators.

Without Mighty Grain Trading Machinery Canada's Dominant Position in World Could Never Have Been Achieved or Held

Elevator Lines, Exchange and Other Units in Grain Marketing Systems Developed to Meet Pressing Need

FUTURES TRADING PROTECTS ALL IN GRAIN

No One Engaged in Any Phase of Grain Trade Fails to Make Use of Facilities for Protection Afforded by Futures Trading in Winnipeg Grain Exchange

By G. R. LAYCOCK

Changing Canada's big central plain into an agricultural region began shortly after the arrival of the Selkirk Settlers in 1811. Whether or not Lord Selkirk realized what was to come of it, he did expect the community to prosper and had wheat in mind as the prospective source of its wealth.

However, though seed was supplied and eventually with crude plow, brush harrow, scythe and flail far more wheat was grown and winnowed than they could use, the settlers found that nothing—not even wheat—has value, unless someone wants it, is willing and able to pay for it, and the seller can deliver it. Lord Selkirk had not arranged for buyers and transportation and the production of grain was of necessity restricted to the quantity required for local needs.

First Shipment Is Made Eastwards

With no effective machinery of commerce, real headway was impossible. By 1876 only about 35,000 acres were under crop; sixty-four years had gone by and the annual grain production had barely passed the million bushel mark and there was little indication of the startling increases which were to occur in the next 52 years and to culminate in the thousand million bushel harvest of 1928.

The first event of a series, that were finally to remove the conditions restricting production, took place on October 21st, 1876, when 412 sacks containing 857½ bushels of wheat valued at $835.71 were shipped east to Toronto, the routing being by steamer to Fisher's Landing, Minn., U.S.A., and from there to Duluth and on to Toronto by rail. Another small shipment found its way east and over the Atlantic to Glasgow, Scotland, in the following season. These marked the first exports of Prairie wheat and were the modest forerunners to the enormous quantities, amounting in 1927-28 alone to 332,963,283 bushels, which were in later years to flow eastward and westward to the seaboard and thence over to the deficiency countries of the world.

Building Up Export System

An export business in wheat to markets 5,000 miles of land and water distant from our principal production points could not be built with the methods of production, delivery, storage, handling, grading, weighing, transporting and selling, such as existed in 1876. Then, wheat found its way to market in bags carried in big wheeled carts, sometimes in canoes, across the withers of saddle horse or on the settler's back. What portion was not taken direct to the miller for grinding, was sold to the local merchant who often as not paid in tea, sugar, tobacco, or whatever part of his stock appealed to the settler.

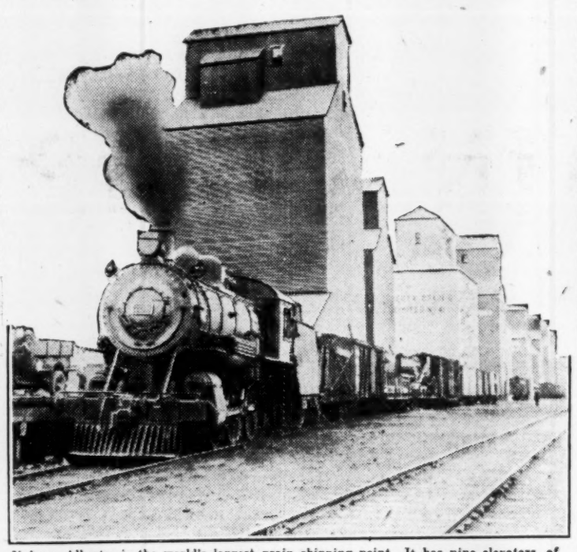
Conditions were still too primitive and irregular to attract outside buying on a scale big enough to permit the establishment of an economic market. Buyers for deficiency countries could only purchase in large parcels and under safeguards which would guarantee grade, weight, condition, delivery on contract date, etc. Obviously there could be no important export business, and without that no large production, until an adequate system was in operation.

Those Who Made It Possible

Those who first built the mills for flour grinding and the country elevators, brought the Pembina branch and the main line of the C.P.R. into Winnipeg, originated the Winnipeg Grain Exchange, produced the type of agricultural machinery permitting large scale production, and the financiers and banking institutions who furnished capital for all these, made contributions without which these prairies would still be the realm of the fur trader, the Indian and the buffalo.

Agricultural progress in Western Canada has been enormous but what Manitoba, Saskatchewan and Alberta represent in the grain story of the world to-day is as much the product of the miller and the grain dealer, the railwayman and the banker, the manufacturer and the merchant, as it is of the farmer.

World's Largest Grain Shipping Point



Vulcan, Alberta, is the world's largest grain shipping point. It has nine elevators, of which seven are double capacity. It ships about 2,500,000 bushels of grain annually.

Elevator First Link in Chain

The country elevator is the most important cog in our grain system. There the farmer and the grain trade make direct contact. From dawn until long after sunset, during the fall, wagonload after wagonload comes to the elevator. There the agent receives, grades, weighs, tests for dockage, dumps the load, operates the machinery which sends it to its bin, and makes out the ticket required according to the option the farmer chooses, which may be to sell outright or to store pending further decision. In 3 or 4 minutes the operation is completed and another load is driven in. It, however, may differ in all its characteristics from the preceding load.

A big responsibility rests upon the country elevator agent. Undergrading, he will lose business; overgrading, he will lose money for his company.

Growth in Handling Facilities

Of these country elevators there were 223 in 1890 with a total capacity of 3,758,000 bushels. The 1927-28 season opened with 4,695 country elevators with a capacity of 155,117,200 bushels.

The following table shows the remarkable growth in grain handling facilities:

	Country Elevators		Terminal Elev.	Total Elev.
	Number	Capacity	Capacity	Capacity
1890	223	3,758,000	3,870,000	7,628,000
1895	373	8,183,000	5,575,000	13,873,000
1900	574	13,988,000	6,920,000	20,908,000
1905	1,049	31,323,200	17,912,000	49,235,200
1910	1,860	57,043,300	21,740,700	78,784,000
1915	2,989	93,863,000	52,680,000	146,543,000
1920	3,773	126,656,620	65,795,350	192,451,970
1927	4,695	155,117,000	*108,105,000	263,222,200

*Includes Mfg. elevator storage but not storage in Eastern division which in 1927-28 totalled 47,610,000 bushels.

Always Is Spot Cash Product

At different strategic points along the line of movement, the steps essential to the appearance of the grain on the market in proper condition—weighing, cleaning and scouring, drying, special binning, mixing, grading, etc.,—proceed with a precision, facility and lack of error which is truly amazing. At no stage in its journey, whether in the wagon at the country elevator when it is called street grain, or in car on track at country station, or in transit (track grain) or in store at Fort Wiliam or Port Arthur (spot grain), does wheat lose its spot cash feature. Certificates, which may be converted into cash tickets, cover the grain in each position.

While the tremendous rush of the grain to the seaboard is commonly understood, the equipment operating to that purpose being so obvious, and even the big financial arrangements involved is realized, because the effect is felt, there is no general appreciation of the vast amount of work performed in the finding of buyers and in the act of transferring ownership.

That 52 years ago no outside country had purchased any of our wheat while last year alone over 50 countries bought Canadian wheat or flour, is evidence of the commercial machinery operating to-day.

Our hard northern wheats, with their high milling, baking and blending qualities have played a major part in advertising Canada and establishing her proud position in international trade. But human hand and brain played their part too, for the handicap imposed by distance and other factors was so great in the beginning that our wheat, despite its quality, had no chance in the great competitive markets of the world and there are no less than 80 wheat exporting countries in the world.

Given efficient production and efficient marketing, both showing in low costs, so that competition could be met, there was no question that our wheat would more than hold its own.

The first, efficiency of production, has been the task of the farmer and of those whose work lies in producing the proper equipment and supplies without which good farming methods are impossible. The second, marketing efficiency, has fallen principally to the grain trade and the carriers. Back of each have been the banking and financial organizations.

Of what value would be efficient production if lacking in proper marketing facilities? On the other hand, of what use efficient marketing if by skimpy plowing and discing, stubbing, poor stooking and ill-kept power, scanty, weedy crops were grown with production costs per bushel too high to let our wheat into the world market?

Grain Exchange Is Established

That there has been efficiency on both sides is attested by Canada's position as the world's leading exporter of wheat and flour and by the substantial value of farm property and the prosperous cities, towns and villages which dot our prairies.

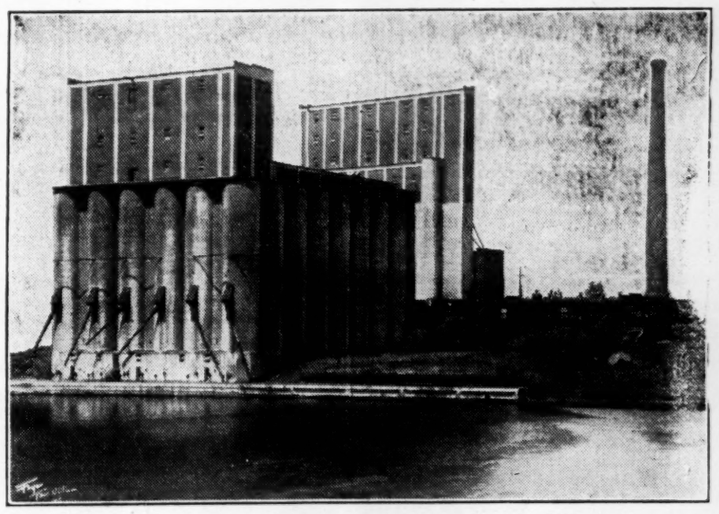
Turning again to the grain trade, by 1887, the grain traders realized that a meeting place for buyer and seller where the daily prices in other markets would be available

(Continued on page 43)

British Empire Grain Company,
Limited

Grain Shippers and Exporters

Operating the Fort William Elevator at Fort William, Ontario



View of the Fort William Elevator, situated on the Kaministikwia River

Officers and Directors—British Empire Grain Company, Limited

President—F. J. ANDERSON
Vice-President—J. A. CROWE
Secretary-Treasurer—M. BURGESS

DIRECTORS

F. J. ANDERSON — J. A. CROWE
A. P. STUART — N. C. STUART
E. S. JAQUES — L. H. PETHICK
M. BURGESS

Fort William Elevator Company, Limited

Capacity 1,750,000 Bushels

Head Office: GRAIN EXCHANGE, WINNIPEG

JAMES RICHARDSON & SONS

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ESTABLISHED 1857

Terminal Elevator at Port Arthur, Ont. — Capacity 3½ Million Bushels

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Own and operate over 200 Elevators in Western Canada.

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Private Wire Connections throughout Canada and to the Markets of the United States.

Cable connections throughout the world.

Executive Offices
WINNIPEG, MAN.

Export Offices
MONTREAL, QUE.

HEAD OFFICE — KINGSTON, ONTARIO

Branches

MONTREAL TORONTO PORT ARTHUR WINNIPEG BRANDON
MOOSE JAW SASKATOON CALGARY EDMONTON VANCOUVER

Shippers' Assoc'n Had Biggest Year

In One Year Association Cleared 263,000,000 Bushels of Wheat in Addition to Large Quantities of Other Grains

CLEARING HOUSE IMPORTANT UNIT IN TRADE

Association, by Exchange of Warehouse Receipts and Bills of Lading, Facilitates Delivery and Loading of Grain at Lakehead

Steady growth in grain production in Western Canada has been responsible for an equivalent expansion in the activities of the Lake Shippers' Clearance Association. This organization is one of the important factors in the smooth working of Canada's grain moving machinery.

A new high record for the quantity of grain handled in a single year was set up by this association in its year ended July 31 last, and it is apparent already that during the current year an even higher level of operations will be sustained.

From August 1, 1927, to July 31, 1928, the association handled the following totals of American and Canadian grain.

263,354,158 bushels of wheat
23,885,081 bushels of oats
24,759,754 bushels of barley
41,843,341 bushels of flax and
12,497,326 bushels of rye.

The total volume of grain handled, including transfers, was 734,473,485 bushels.

Most of It Shipped by Great Lakes Boats

Most of the grain handled was shipped by boats from the head of the lakes to lower lake ports, and no less than 1,280 boat loads of grain were cleared by the association, carrying in all cargoes totalling 321,729,951 bushels of grain. In addition the association looked after all rail shipments eastward from Port Arthur to Fort William, totalling 12,958,694 bushels. To bring this enormous quantity of grain to lake head took 352,253 cars.

Important in Grain Trade

The Lake Shippers' Clearance Association has become one of the important factors in the grain trade of Canada, and is a further evidence of the fact that the grain trade of Canada is one of the most scientifically organized and smoothest working pieces of business mechanism in existence.

A clearing house for grain is essential to the smooth workings of grain trade machinery. The presence of this clearing house is a factor in keeping down the cost of grain transport. If we consider the problem facing grain shippers and grain carriers we see just where the Lake Shippers' Association fits into the picture.

When a buyer of grain purchases say 100,000 bushels he does not buy any particular 100,000 bushels, stored in a single elevator in Port Arthur. He buys 100,000 bushels of grain of a certain grade and to complete the transaction the seller has only to deliver the five different receipts covering grain in five different elevators at the Head of the Lakes. When he sends a boat around to pick up the grain the boat would have to call at five different elevators to draw the quantities of grain represented by the warehouse receipts of each elevator. This is what he would have to do if there were no clearing house for warehouse receipts and grain shipments. But through an organization known as the Lake Shippers' Clearance Association, the shipper of grain can in effect trade his warehouse receipts for others so that his boat can load its entire cargo at one elevator.

Thus although only 1,280 boat loads of grain left the head of the lakes carrying the 1927 crop, the association effected no less than 34,379 transfers, an average of 110 a day, to enable these boats to pick up their cargoes without waste of time or effort. The average 9 years ago was 11 transfers a day. The work of the association has grown tenfold since the end of the war.

Is Co-Operative Body

The Lake Shippers' Clearance Association is a co-operative, mutual association, not incorporated, organized by the grain shippers. It operates as a clearing house for grain documents, somewhat on the principle of a bank clearing house. It combines all the documents of the different shippers to give the vessels the maximum of dispatch in loading, and also to increase the movement by rail in the same way by combining the shipments so that cars can be distributed to the best advantage to the terminals for loading. This eliminates much switching.

The association was organized in September, 1909.

In order to fully understand the functions and purpose of the Association it is necessary to consider the conditions obtaining before its organization, and which would obtain to-day if it were not in existence. There are twenty-seven grain elevators on the water front at Fort William and Port Arthur, besides seven situated on tracks not accessible by boat.

Why It Is Needed

Warehouse receipts issued by any elevator under the authority of the Board of Grain Commissioners for Canada, and declared regular by the rules of the Grain Exchange are tenderable in satisfaction of any purchase of grain made in the grain markets. Consequently, when a shipper buys, say, a cargo of 200,000 bushels, he is likely to have delivered him warehouse receipts of every elevator on the water front, as every elevator is unloading every day, and their warehouse receipts are continually coming on the market. In addition to this, private elevators, that do not issue warehouse receipts, are daily making sales of certain grades in store in their private elevators. It can be readily seen that without such a clearing house for documents as is provided by this association the shipper would have to send his boat to every elevator against which he held warehouse receipts, and that might be every elevator in the port, causing serious loss of time to the boat, which would have to be reflected in the freight rate, as well as loss of interest and storage to the shipper through delay in loading, which would add to the cost of marketing.

This was the condition obtaining which this association was created to overcome by the clearing of grain documents.

Aids Banks as Well

The association's work is not only of value to large grain shippers, such as the grain trade firms, the wheat pool and the milling companies and to railways and shipping companies, but it is of definite value to the banks that finance the crop.

Prior to the formation of the association, the grain documents assigned to the bank as security for advances, were held in their own office until they were required for shipment, when they had to be handed back to the borrower just at the time they were being turned into money in the shape of boat bills of lading. The association bridged this gap in the holding of their securities as it provided an independent, responsible trustee that held the securities for their account outside of the borrower, while they were being changed into a boat or rail bills of lading for the bank's account, thus relieving them of the risk they formerly incurred when the documents had to be turned over to the shippers and by them to individual shipping agents, at the Lake ports, who were not directly responsible to the banks, and of whose responsibility, financial or otherwise, they had no knowledge.

When documents are deposited to be shipped to the order of any bank they are recorded accordingly, and periodical statements rendered the bank interested, showing the quantities and different grades held for their account, thus enabling them to keep continual check on securities held by the association in thust for their account.

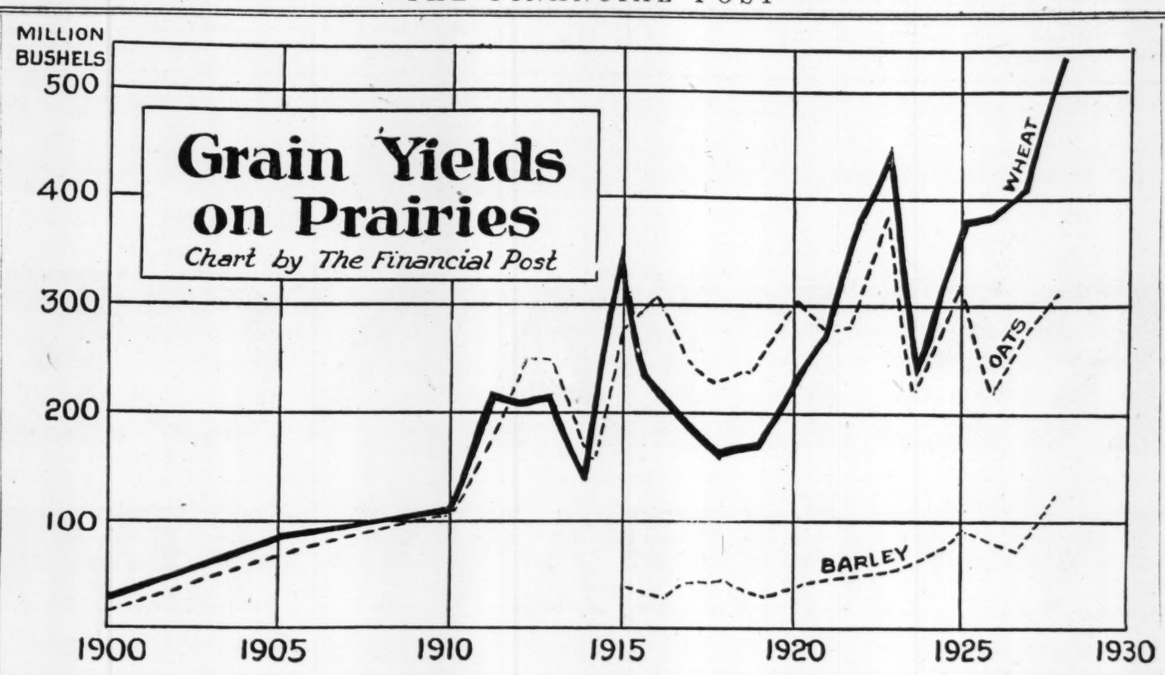
Association Does Not Buy or Sell

It should be emphasized that the Lake Shippers' Clearance Association is not a trading organization, but merely a service institution for all engaged in the grain business in any form.

It takes delivery of the warehouse receipts in its office in Winnipeg, records them in books under their several grades and elevators, wires the necessary particulars to its Fort William office, and to the several elevators concerned promptly. It receives the shipping orders from the shipper, and where any bank is interested, sees that its interests are fully protected, loads the grain out according to terms of loading order; makes out the rail or vessel bills of lading in split quantities as required; obtains the government weight and inspection certificates to correspond with bills of lading; makes out all custom papers, including export entries and consular invoices where required, and delivers all the documents covering the shipment complete to the shipper or the bank as the case may be. It adjusts and pays all the elevator and other charges against the shipment, and delivers to the shipper detailed manifest showing all charges against the shipment. It also maintains a private wire between its Winnipeg office and its office in Fort William, so that all transactions in connection with shipments, such as changing leading orders, destination, billing instructions, etc., can be carried out with the maximum dispatch.

Indispensable to Trade

The operations of the Lake Shippers' Clearance Association have proven that it is rendering to the trade, the terminals and the transportation companies, as valuable and indispensable service as that of the bank clearing houses to the banks, and it is admitted by all interests concerned that the business of shipping and transporting grain could not be economically or successfully carried on without its activities. It may be added that the Public Terminal Elevator operated by the Board of Grain Commissioners for Canada has always been in full co-operation with the work of the association, and the Board of Grain Commissioners for Canada have always co-operated with the association in every way in carrying out its objects.



Winnipeg Grain Radio Broadcasts Programs

Radio broadcasting has now become a very important function in connection with the Winnipeg Grain Exchange. About a year ago a station was erected at Yorkton, Sask., for the purpose of broadcasting market news and musical programmes for the farming communities of the West, but the scope of this station has now been enlarged by the building of a studio in Winnipeg from which material is sent over the telephone wires to Yorkton, 300 miles away, and then broadcast from the station there. This studio occupies a section on the lower floor of the new extension to the Exchange Building, which has just been completed. Broadcasts are made at 9:30 a.m., 11:30 a.m., and 1:45 p.m., daily, in connection with the grain market, and each evening between 7:15 and 8 the news of the day in brief and grain and live stock market news is put "on the air."

A feature of the 9:30 a.m. broadcast is the "half minute in the pit." A microphone is placed in position to record the opening of the wheat market, and farmers "listening in" have an opportunity to hear the signal for trading to commence in the futures market and the first half minute of bidding in the pit.

Once each week the Maple Leaf Milling Co., Ltd., broadcasts a concert, and every Sunday one of the church services in Winnipeg is relayed to the station at Yorkton.

Station CJGX has now become one of the most popular in Western Canada, and is supplying farmers with timely news on markets which would take days to reach them through the ordinary channels of communication.

Without Grain Trade Status Could Not be Won

(Continued from page 41)

and uniform trade terms and a common basis of business would be used, was urgently required. Some machinery was essential to do away with expensive litigation in the event of disputes. A future's market was wanted and other problems of great importance had to be solved. It was necessary that prairie grain should have its own grading standards, that it appear on the worlds' markets with labels distinctive of its origin, and perform to the fullest degree the work of advertising itself and Western Canada.

On November 24th, 1887, the Winnipeg Grain and Produce Exchange was organized. The original price of a membership was $15. To-day, memberships change hands at $15,000.

The original meeting place, a little room in the Board of Trade quarters was soon found to be too small and new quarters were obtained only to be in turn outgrown until to-day the Exchange is housed in one of the largest office buildings in Canada.

Rules of Winnipeg Grain Exchange

Each buyer and seller coming together in this meeting place—and they do meet on the floor of the Exchange, either in person or through representatives — must have (a) authority to be on the trading floor—which means that the parties, or their representatives, have established with the Winnipeg Grain Exchange their fitness—financial, and from the standpoint of business morality—to do business and have furnished substantial security of different forms as guarantees of protection, in case of default, to those having transactions with them, and (b) must use the common trade terms, signs, forms, and procedure as set out in the rules of the Exchange.

These conditions being arranged for, buying and selling could take place on a basis fair to both parties.

Now Have Futures Market

The weak point of our marketing machinery in the early days was the lack of a futures market. It takes weeks and sometimes months to get grain from the farmer's hands into the possession of the consumer or his agent. To guard against the effects of drastic price changes during this period, which in case of falling prices might entail losses of a serious character, two possible lines of action were open.

(1) To arrange for reselling at once the quantities purchased at the country elevator each day, or

(2) To pay the farmer much less; in other words, reduce the net return to the farmer by enough to allow for any drop in price which might occur before the wheat could be brought forward from the country.

Had to Use Chicago Market

The second of these was out of the question so the trade set about establishing a futures market which enables the farmer at the country elevator to be paid the full market price on the day he brings in his grain, less the freight and handling charges which latter are set by statute and are lower in Canada than in any of the principal competing countries.

It was not until 1901 that future trading was arranged on the Winnipeg Grain Exchange. However, for many years before that, protection was secured by using the Chicago market.

Just as the futures market provides protection to the farmer and the country elevator company, so does it also serve and facilitate the operations of others who buy and sell wheat.

Because the world is big and has many mouths to feed, the baker must look to his future supplies and he turns to the miller, who arranges for the delivery of enough wheat to provide flour to satisfy such demand. And so all along the line ordering ahead for future requirements goes on. If there appears a likelihood of difficulty in procuring adequate supplies, the character of the orders reflects the miller's care in seeing that for far into the future the baker shall not want for flour nor the baker's customers for bread. The fact that orders for flour requirements may be accepted at an agreed price is only possible because the miller has either bought wheat at a level allowing him to do so or goes into the market and arranges for its delivery at a specified price at the time in the future when he requires it to fill the contract.

Some future orders are placed in our market as protection against country buyings and others to ensure the miller of future supplies.

In addition there is the speculator who expecting a certain price change prepares to profit thereby.

All of these bring about the daily buying and selling the effect of which is recorded in the changing price levels.

All Use These Hedging Facilities

As crop and other conditions change, the effects are seen in the price reactions which follow. Price levels may rise and fall in startling fashion but the fluctuations are seldom any more marked than are the changing conditions responsible for them.

Anyone who has seen, in a few days or even a few hours—rust, frost, hail, drouth or other cause, cut the crop a quarter, or a half, or a tenth, readily understands how prices respond, affected as they are not only by conditions in Canada but in all other countries, as well.

There is no organization engaged in grain marketing in Canada that does not consistently make use of the futures market.

Besides the trading facilities, there is an Exchange Clearing Association which acts as a clearing house for all trade in futures and cash grain. It attends to all freight and insurance on shipments and acts as a medium through which the banks levy drafts on the individual firms.

Clears Documents for Shippers

A Lake Shippers Clearance Association operates as a clearing house for grain documents. It combines all the documents of the different shippers to facilitate the handling of cars at the head of the lakes and give vessels the maximum of despatch.

The Northwest Grain Dealers' Association is comprised of operators of country elevators and buys and sells supplies for its members, issues crop estimates and operates an inspection service of country elevators. It is the senior organization of the grain trade.

In the Prairie Provinces in 1928, roughly 40,000,000 acres were seeded and the biggest crop in the history of an area noted for big crops has been gathered. Fifty-two years ago there were less than 35,000 acres in crop. During August, September, October and November, this year, our marketing machinery handled 363,158,453 bushels of wheat and 64,980,721 bushels of other grains, and the total of all grains handled before the marketing year closes will have reached about 600,000,000 bushels.

Enormous Increase in Acreage

Acreage under crop in 1928 was 11 times that in 1910, and 28 times greater than in 1890.

Yet, though big things have been done in the past, the future holds bigger tasks. There is, to-day, over four times as much land in the Prairie Provinces awaiting the settler's plow than was actually in crop this year. Western Canada's agricultural story is just well started.

McCABE BROS. COMPANY
Grain Commission
WINNIPEG, MAN.

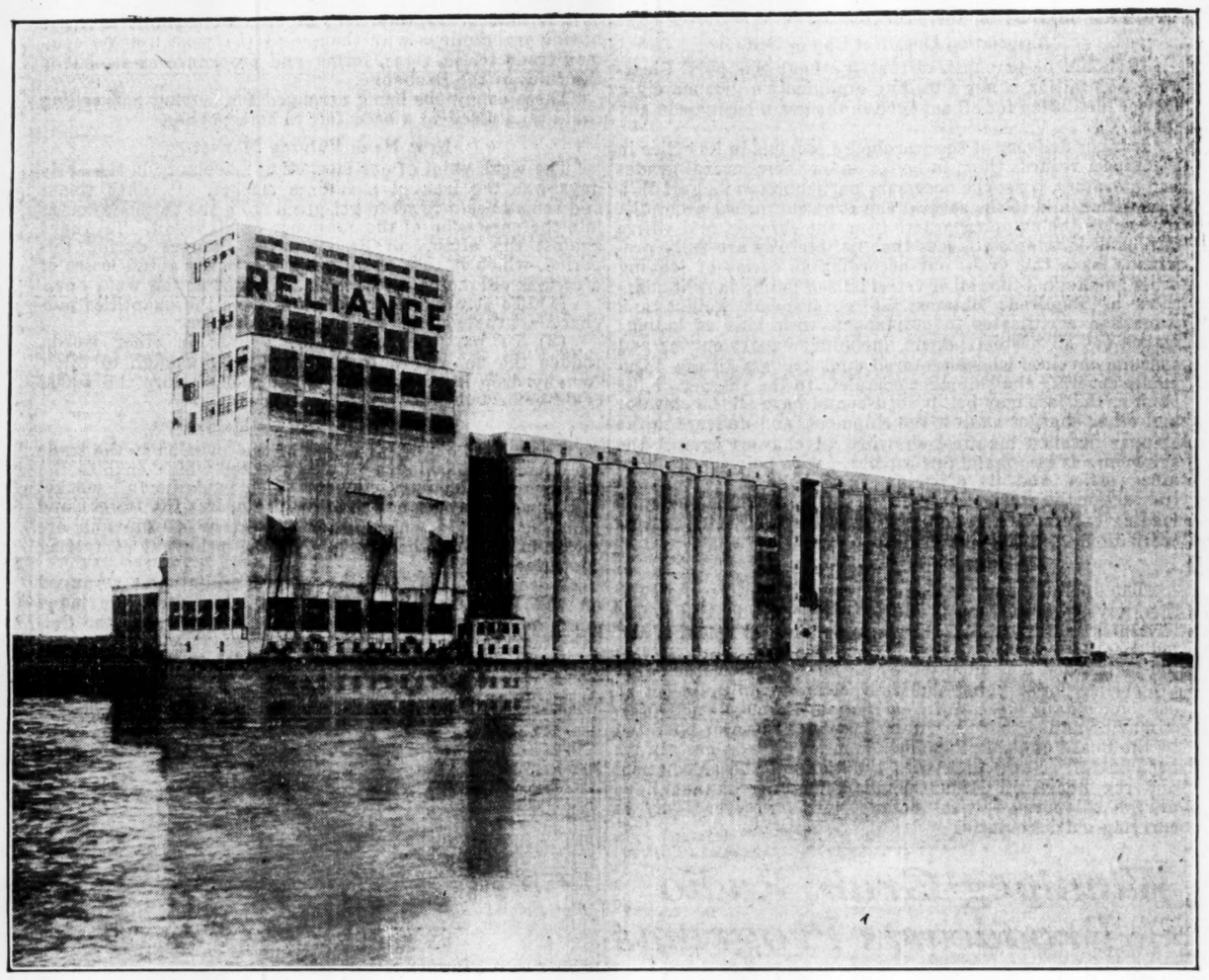
WITH ALLIED
COMPANIES OPERATING
ONE HUNDRED AND TWENTY-FIVE
ELEVATORS

McCABE ELEVATOR COMPANY Limited
WINNIPEG, MANITOBA

VICTORIA ELEVATOR COMPANY Limited
GRAIN MERCHANTS
WINNIPEG, MANITOBA

RELIANCE
GRAIN COMPANY LIMITED

Country and Terminal Storage



LAKEHEAD STORAGE CAPACITY OVER 4,000,000 BUSHELS

Commissions Rail Shipments Export

INTERIOR STORAGE OF 5,000,000 BUSHELS IN

MANITOBA, SASKATCHEWAN and ALBERTA

THROUGH OWNING OR CONTROLLING OVER 180 COUNTRY ELEVATORS

NEW YORK

SMITH MURPHY CO. INC.. 510 PRODUCE EXCHANGE

HEAD OFFICE: 919 GRAIN EXCHANGE, WINNIPEG

Country Elevators Now Total 5,000; Represent Investment of $50,000,000; Provide Farm With Cash Grain Market

This Year's Construction of New Country Elevators in West Has Proceeded at Unprecedented Rate

POOLS AND TRADE VIE IN NEW CONSTRUCTION

Country Elevator Provides Immediate Point of Contact Between Grain Buyers Representing World's Consumption and Farmer Who Grows Grain

An old-timer in the business of building country elevators in Western Canada remarked the other day: "In all my 20 years in this business I have never seen so much construction work on new elevators as we have had in 1928."

It is practically impossible to estimate with any degree of accuracy the amount of new elevator construction in Western Canada in 1928. It seems certain that at least 500 new country elevators will be built this year. Each one will store from 30,000 to 45,000 bushels of wheat and handle around 100,000 bushels of wheat in a season. Thus these new elevators increase the storage capacity of the three western grain provinces—at any given moment—by upwards of 15,000,000 bushels and the handling capacity of the country elevators system of the west by 50,000,000 bushels annually. Considering that this year's crop is likely to run 100,000,000 bushels above any previous crop in the history of Canada, it will be seen that the huge elevator programme of the present year which follows upon the heels of record breaking construction activities in recent years, is not based upon too much optimism.

Cost Averages $13,000 Per Elevator

It is costing from $12,000 to $15,000 to construct each of these elevators. If we take an average of $13,000, we find that the 500 new elevators will represent an addition of $6,500,000 to the capital investment in Western Canada's country elevator system, the greatest public utility in the country. The expenditure of this amount of money has been no small factor in the prosperity of some western communities. It has meant orders for lumber, gasoline engines, scales and iron work as well as other minor materials. Large sums have been paid in wages to local workmen and construction crews.

The wheat pools have this year been the busiest elevator builders. They have been setting out to acquire or construct at any cost elevator capacity to handle all of their own needs and as the pool touches every point in the west this has meant an ambitious programme. The pool has brought about one quarter of the elevators it has added to its string in the past year and has built the balance. Most of the line companies have built some elevators although a few have reduced their holdings by sale. Much of the construction has been along the line of new branch line railways, for a country elevator does not exist except at a railway shipping point. Thus we find in the 1927 census of country elevators in Western Canada that 1,769 points were served while in the 1928 census no less than 1,820 points are listed, indicating that during that period more than 50 points that previously have not had elevator accommodation have been given such accommodation during the period between the two reports. Some of these 50 points would have been towns along the older railway lines but probably most of them are communities only recently given railway service through the construction of branches of the C.P.R. and C.N.R.

Fifty Millions Invested

Probably with the construction of this year's new elevators there will be close to 5,000 country elevators in the West. Allowing for the lower construction costs of earlier days each would represent an investment of somewhat not far above $10,000,000. Obviously then the country elevator chain of service in the west represents a capital investment of over $50,000,000. And it may be remarked that not a single country elevator in Canada is owned by any municipality, province or other public body. They are all owned by private interests, either line elevator companies, farmer-owned corporations or the farmer-managed wheat pools. The country elevator service of Canada is probably the most far flung and important privately owned public utility service in Canada. It is admittedly an efficient and smooth working machine.

Where Elevators are Located

The distribution of the country elevators around Western Canada is as follows:

	Stations	Elevators	Capacity in Bus.
Manitoba	382	690	21,661,300
Saskatchewan	949	2,786	87,806,900
Alberta	489	1,216	45,570,000
	1,820	4,692	155,038,200

In addition there is one elevator of 40,000 bushels' capacity in Ontario and two of 39,000 bushels' total capacity in British Columbia.

The above figures are based upon licenses issued by the Board of Grain Commissioners to elevators operating in the grain year 1927-28. Of course the actual figure now is higher.

Big Elevator Chains

The larger elevator chains with numbers operated in 1928 and 1927 are as follows:

Line Companies With 10 or More Elevators

	1927	1928
Alberta Pacific Grain Co.	315	327
N. Bawlf Grain Co.	112	111
Beaver Elevator Co.	28	30
British America Elevator Co.	120	115
Brooks Elevator Co.	46	51
Crescent Elevator Co.	15	16
Canadian Elevator Co.	87	80
Central Grain Co.	53	53
Dwyer Elevator Co.	10	10
Dominion Elevator Co.	52	52
Ellison Milling & Elevator Co.	14	15
A. Forsythe & Co.	11	10
Federal Grain Co.	75	79
Gillespie Grain Co.	56	58
Gold Grain Co.	—	13
Home Grain Co.	79	88
International Elevator Co.	46	48
Independent Grain Co.	14	16
Liberty Grain Co.	30	29
Malden Elevator Co.	11	13
Matheson-Lindsay Grain Co.	27	27
Midland Grain Co.	35	34
McLaughlin Elevator Co.	41	41
McCabe Elevator Co.	22	16
McCabe Brothers Co.	22	22
National Elevator Co.	111	110
North Star Grain Co.	88	97
Northern Grain Co.	—	11
Northern Elevator Co.	78	75
N. M. Paterson & Co.	97	99
Parrish & Heimbecker	27	30
Peaker Gibson Grain Co.	33	26
Province Elevator Grain Co.	89	92
Pioneer Grain Co.	151	154
Saskatchewan Elevator Co.	79	78
Searle Grain Co.	30	33
Standard Elevator Co.	27	32
State Elevator Co.	68	77
Saskatchewan & Western Grain Co.	38	44
Stewart Grain Co.	16	20
Scottish Co-operative Wholesale Society	15	14
Spencer Grain Co.	44	43
Security Elevator Co.	117	118
Topper Grain Co.	28	29
Union Grain Co.	19	22
Victoria Elevator Co.	52	61
Wiley, Low & Co.	20	28
Western Elevator Co.	67	65

Wheat Pool Elevators

Manitoba Pool	30	57
Alberta Pool	42	159
Saskatchewan Pool	586	723

Private Company, Farmer-owned

United Grain Growers Co.	389	360

Milling Companies

Lake of Woods Milling	115	114
Maple Leaf Milling	56	54
Ogilvie Flour Mills	168	160
Quaker Oats Company	20	19
Western Canada Flour	85	87

Canadians Have Natural Advantages

"The Canadian farmer has certain natural advantages that offset his disadvantages. His hard spring wheats are, most of them, of high quality and are much sought after by foreign millers . . . The Canadian farmers have the advantage of high yield per acre . . . the most modern farm implements in the world, and the most modern and scientific technical equipment for the transportation, storage, cleaning, and handling of his wheat from the local elevator to the sea-going vessel." — Prof. James E. Boyle.

Provide Local Grain Market

The country elevator owned by a line elevator, milling company or other grain interest, is the first point of contact between the grain grower and the grain trade. The farmer brings his wheat to the nearest railway station. At this station the elevator agent is the man with whom he deals. He may sell his grain direct to the elevator; he may, on the other hand, merely use the facilities of the elevator for storage or for shipping. To a large extent, though, the country elevator may be regarded as the local grain market. It furnishes facilities for weighing, for short time storage and shipping. But its important function is to buy grain. It is the magic medium that brings the wheat markets of the world to the door of the western farmer.

In most cases—wheat pool elevators being among the exceptions—country elevators have been built by grain buyers. They exist to enable him to weigh, handle and ship his own purchased grain. The operator stands at all times ready to buy grain direct from any farmer who desires to sell and to buy it at the current "street" price. We will discuss the making of this price later. The country elevator is a market for the grain hauled direct from the farm by the wagon load, or in these mechanized days, the truck load. It marks a great advance upon the primitive system of the early days when wheat was brought to the railroad in sacks and stored in sheds.

Cash on Spot for Farmer

The method of buying is simplicity itself. The operator and farmer agree upon the grade of the grain and the price. The grain is unloaded, weighed and run into the bin. The farmer receives a cash ticket in a form that has been prescribed by the Parliament of Canada. He takes this cash ticket to the paying agent of the elevator operator, usually the local branch bank or a merchant, and receives cash. His transaction is completed and he has his money.

This is the picture when the farmer sells to the elevator company: In the case of grain delivered by a pool farmer, the elevator company makes the initial payment, as established by the Pool, in cash to the farmer, and finances this grain with its own money until the grain is delivered at the terminal point. Here it is turned over to the pool, and they reimburse the elevator company for the initial payment made, plus the handling margin agreed upon. Any subsequent payments the Pool may declare are paid direct to the farmer during the following year. Thus the farmer only gets part of the sale price of his grain in cash.

Farmer May Ship on Own Account

If a farmer decides not to sell his wheat, but wishes to store it in the hope of obtaining higher prices, he may ask the elevator operator to issue him storage receipts. Or the farmer may prefer to ship his wheat himself if he has a carlot or more, in this case he will ship it forward to the terminal markets, and the cars will be graded by the government inspector at some inspection point such as Winnipeg, Calgary, or Edmonton.

In cases where the farmer and the elevator operator cannot agree as to the correct grading of the grain, the law provides for the taking of an average sample by both the interested parties, same to be sent under seal to the chief inspector at Winnipeg. Then the grading of the parcel is determined by the inspector's grading of the sample.

Law provides that operators must make their facilities available to all farmers at prescribed fees even if the farmer later sells his grain to a rival dealer. The government of Canada looks upon the elevators as public utilities and prescribes the most stringent regulations governing their operations, besides making them "common carriers," forced to serve all who come. Some time ago, a United States government publication remarked with absolute truth: "It is well within the mark to say that in no other country are farmers given, by law, the wide privilege in respect to the use of elevators they do not own that they enjoy in Canada."

Chief Function is Buying

The warehousing function is subsidiary to the merchandising function in the business of the country elevators. Experience has shown that there is not a big profit and there may easily be a loss in the warehousing operations of country elevators at the rates set by the government. The country elevator is primarily a buyer's plant, built by the grain buyer to enable him to collect from many different points a sufficiently large quantity of grain to fill his needs. The grain buyer considers the country elevator merely one unit in his chain of service. On the combined operations of his country elevator and his terminal elevator he hopes to make money. But the individual country elevator may be a losing proposition. The country elevators are feeders.

The biggest service of the country elevator to the farmer is the provision of this immediate cash market for his grain and at the nearest shipping point to his farm. The next service is to provide him with facilities for shipping his grain if he is not prepared to sell.

Consider what this cash market means to the farmer. He can haul his wheat five, ten or fifteen miles, deliver it, and collect one hundred cents on the dollar of the value of his product immediately. Of course, this only applies to grain sold to the independent elevator operator and not to grain pooled by the wheat pool farmer who collects only the initial payment. In no other commodity produced on the farm is there a similar assured market. If the farmer could sell his live stock, his eggs, his butter and his other produce in such a simple manner and at a price governed by world conditions, his marketing problems would soon disappear.

Always a Cash Market

There is no day in the year when the farmer cannot sell any grain he has on hand and collect his money. And he is always assured of a square deal. Competition between grain companies assures that. And government regulations mark the lines the transactions must follow. Government bodies fix the standards for grain. The press, the radio and the telegraph wires keep him posted as to the price of grain. The railway rates are fixed so that he knows what deduction must be made from the current quotation to allow for freighting his grain to the point where the prices all become uniform. The market is highly competitive. The farmer does not have to accept the price offered if he thinks wheat is low on the day he reaches the market. He can store his grain and receive an advance from the elevator man, or, as explained, he can ship it to the terminal elevator himself.

Line Elevator Companies

In the main, the country elevators are operated in chains or lines. The line elevator companies are organizations owning large numbers of elevators scattered at many different points. These all operate under one management and the economies induced make profitable operation possible. The independent, individual elevators are but a small proportion of the total. The larger owners were listed previously in this article.

Cost $12,000 or More

Country elevators are not buildings of great beauty of line or architecture. Theirs is a life of service and they are designed for the efficient and economical handling of grain. Costs of construction are kept as low as possible. The average investment in each is from $12,000 to $15,000 at present costs of construction. $12,000 provides an elevator of 30,000 bushels capacity. The annual cost of operation is likely to be just over $4,000 for each elevator. It is pointed out that country elevators have never averaged 100,000 bushels each of grain handled in a season, although this figure is probably the bare minimum of the amount necessary to pay expenses if the country elevators are to be considered as business institutions. Some elevators make money; most of them do not, but have their value in enabling grain buyers to get the grain they need.

Grain in the country warehouse is good bank security, and each year the banks of Canada lend enormous sums upon this grain. In addition to their own working capital, the line elevator companies must have large lines of credit from the banks to finance the grain they purchase until such time as they ship this grain to the terminal markets and turn it into cash.

Then, again, the elevator companies advance enormous sums of money to farmers who do not wish to sell outright for cash at the time, but who wish to store their grain for the object of obtaining higher prices later on.

When the elevator companies borrow, they secure their loans by deposit with the bank of negotiable papers that are receipts for the grain in store. The banks are interested, however, in maintaining the financial position of their borrowers and in insuring themselves against loss in their security. They, therefore, demand as a pre-requisite that the borrower shall "hedge" his purchases, that is, as he buys grain from the farmers day by day he must sell an equivalent amount for future delivery at the time his grain is likely to reach the market. As the elevator operator secures cars he ships his purchased grain, sells it at the spot or cash price and buys back his futures.

Future Trading is Essential

It is apparent from this that trading in futures on the grain exchange is a valuable and essential feature of the operation of the public utility of the grain trade. The cost of "hedging," in commissions and margins, is but a small tax to pay for the stability provided.

Some explanation should be given of the disparity in the price at which wheat is quoted on the Winnipeg Grain Exchange and the price which is actually paid to the farmer who drives up to the local elevator and sells for spot cash.

Fort William Price is Basis

Obviously, some basis of value must be adopted. Wheat at one spot in Western Canada is not of the same value as wheat at some other spot. If that were true the farmer nearest to markets would sell his grain and the farmer further away would not. And so the basic price for wheat is the value of a bushel of wheat in store at the heads of the Lakes, at Fort William. When the price of wheat on the Winnipeg Grain Exchange is quoted this is the price that is inferred. The price of wheat at any other point is that price less the cost of getting it to Fort William. The wheat price that gets into the newspaper headlines is the price of No. 1 Northern, the best general grade, although there are several "contract grades" quoted and some 200 actual grades. All wheat does not grade up to the high level and the lower grades receive prices that are scaled down accordingly.

Four different price bases are recognized for wheat. There is the Fort William price mentioned—the spot price. There is the price of wheat that has not reached Fort William, but which has passed through Winnipeg and been inspected. Then there is grain on the track at interior points and grain on the street—that is, in the wagon ready for sale, but not yet poured into the elevator.

The difference between the street and track prices and between street and spot prices is called the "spread" and the spread is the bugbear of the Western farmer. It has led to much confusion and misunderstanding, and at times to ill-feeling.

What Constitutes "Spread"

It is universally considered sound that street prices must be less than spot price by:

The freight to Fort William;

The cost of handling the grain in the country elevator;

Provision for the risk of loss in grades; and

A reasonable profit to the country elevator.

Unfortunately, the elevator operator cannot immediately ship grain that he receives. The necessity of taking his turn in getting cars from the railroads and a number of other factors make it necessary for him to hold much grain in store for a long period. During that interval his capital is tied up, his interest, insurance and other costs are mounting, and he is running risk of loss in grades. Obviously, he must consider these factors when he tells the farmer what he will pay him for his grain.

There is competition between country elevators and

(Continued on page 47)

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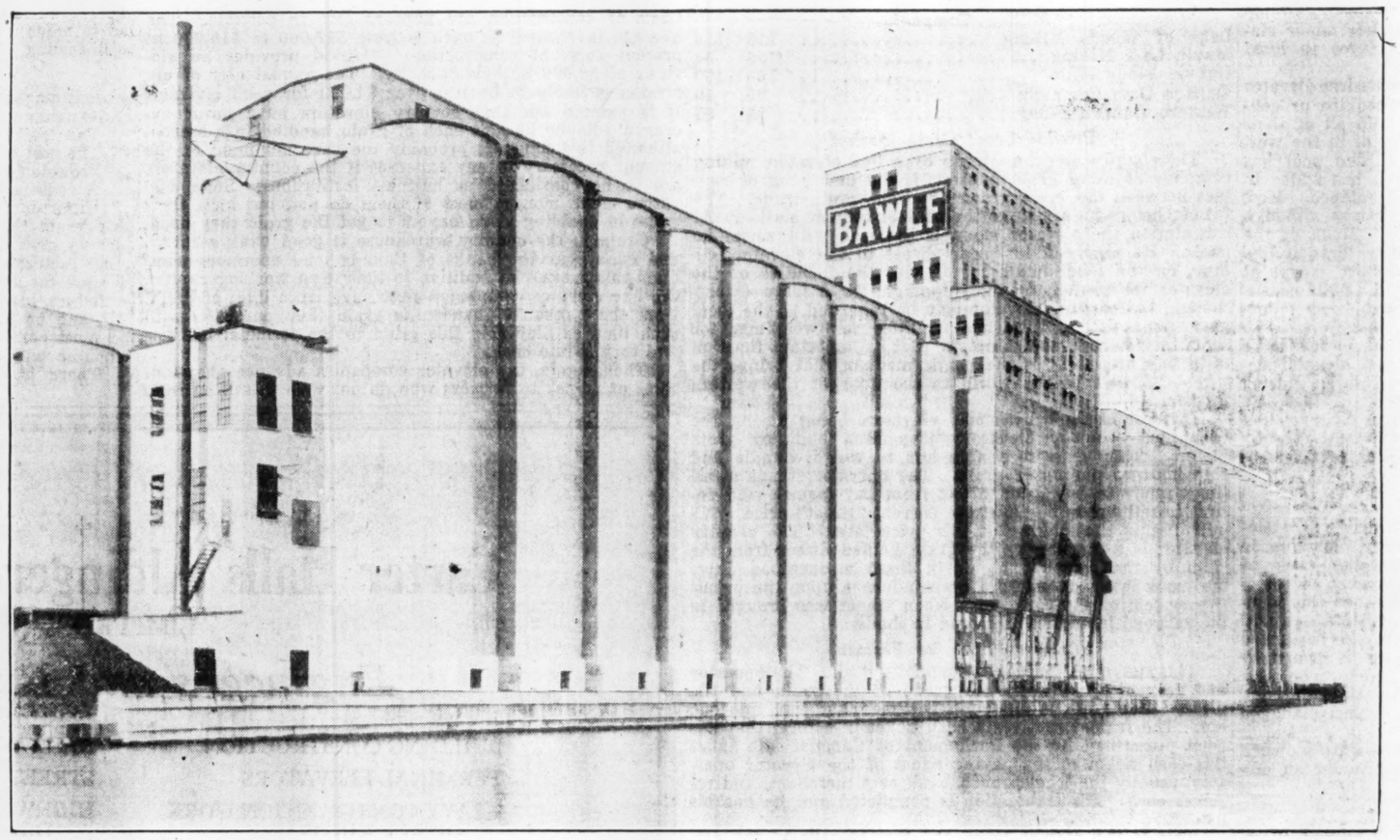

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THE
BAWLF TERMINAL
ELEVATOR
at
PORT ARTHUR
ONTARIO
STORAGE CAPACITY
of
2,500,000
BUSHELS

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CHICAGO BOARD OF TRADE
MINNEAPOLIS CHAMBER OF COMMERCE

Terminal Connections at Vancouver with VANCOUVER TERMINAL COMPANY LTD., and THE PACIFIC TERMINAL ELEVATOR COMPANY LTD.

Many Terminal Elevators Erected During Last Year in All Parts of Canada

Vancouver, Twin Cities, Toronto, Quebec, Montreal, Meaford, Collingwood, All See or Plan Construction Work

The past year has been one of unprecedented activity in the construction of mammoth grain elevators in Canada. Practically every part of Canada has shared in this activity, and practically every branch of the grain trade—the private grain companies, the wheat pool and harbor commissions—have been busy erecting large terminal grain elevators, some of them representing elevators larger than anything previously attempted.

On the Pacific Coast four new terminals with storage capacity in excess of 5,000,000 bushels are under way or completed. At Fort William and Port Arthur new elevators are going up, including one 6,900,000 bushel elevator, the world's largest. The City of Toronto has seen the construction of two new elevators during the past year, making that city a grain-handling port for the first time in a generation. Collingwood, Prescott, Quebec and Montreal are also the scene of elevator construction work. Elevators are planned at Meaford and Penetang.

New Addition at Montreal

A new addition has been made to the Montreal Harbor Commissioners' No. Three Elevator, giving it a total capacity of 5,000,000 bushels, and making it the largest grain terminal in that port. Montreal now has aggregate terminal capacity of more than 10,000,000 bushels.

The Quebec Harbor Commissioners have also increased the capacity of its large elevator. The Quebec elevator now has a capacity of 4,000,000 bushels.

At Vancouver two new elevators are going up. The larger is being built for the wheat pool and at a cost of $2,500,000, another house is being built that will have a capacity of 2,400,000 bushels.

Near New Westminster the Harbor Commissioners are constructing an elevator with a bin capacity of 700,000 bushels.

One at Victoria City

Just outside the City of Victoria an elevator is being erected by the Panama-Pacific Grain Terminals which will have a capacity of 1,000,000 bushels.

In Toronto a 2,000,000 bushel grain elevator has been erected by the Playfair interests, and another elevator has been put up by Canada Malting Company.

The largest elevator that has been completed is at Port Arthur and is the new Saskatchewan Pool terminal with a capacity of 6,900,000 bushels. This is said to be the largest terminal elevator in the world.

The United Grain Growers completed a large house there last year. Further elevators are going up, and it would seem that the Head of the Lakes will have about 100,000,000 bushel storage capacity within two or three years.

Twin Ports Are in Lead

The Twin Ports of Fort William and Port Arthur have had, since 1922, the largest elevator capacity in the world together with the most modern facilities for the rapid handling, cleaning and drying of grain, and handle more wheat annually than any other port in the world.

One year ago, the ports had a combined capacity of 72,590,000 bushels, of which 39,550,000 bushels were located in Port Arthur and 33,040,000 bushels in Fort William.

During the past year an increase of nearly 20 per cent in the total handling facilities at Fort William-Port Arthur has materially strengthened the standing of the Twin Ports as the premier grain ports of the world. To-day, the total elevator storage capacity at the ports is 86,690,000 bushels. The elevator storage capacity of the 16 elevators at Port Arthur was given as 49,725,000 bushels and that of the 16 elevators at Fort William, 36,965,000 bushels.

The position of the Twin Cities in comparison with other large grain storage centres is shown in the following table:

Nov., 1928	Number of Elevators	Storage Capacity
Fort William-Port Arthur	32	86,690,000
Minneapolis-St. Paul	66	63,433,000
Chicago and district	63	53,253,000
Buffalo	38	41,465,000
Duluth-Superior	33	41,000,000

At the recent world's grain and livestock show at Chicago, the province of Alberta won more prize money than any state in the U.S., and more than all other provinces of Canada put together, according to W. J. Stephen, field crops commissioner of the Alberta government.

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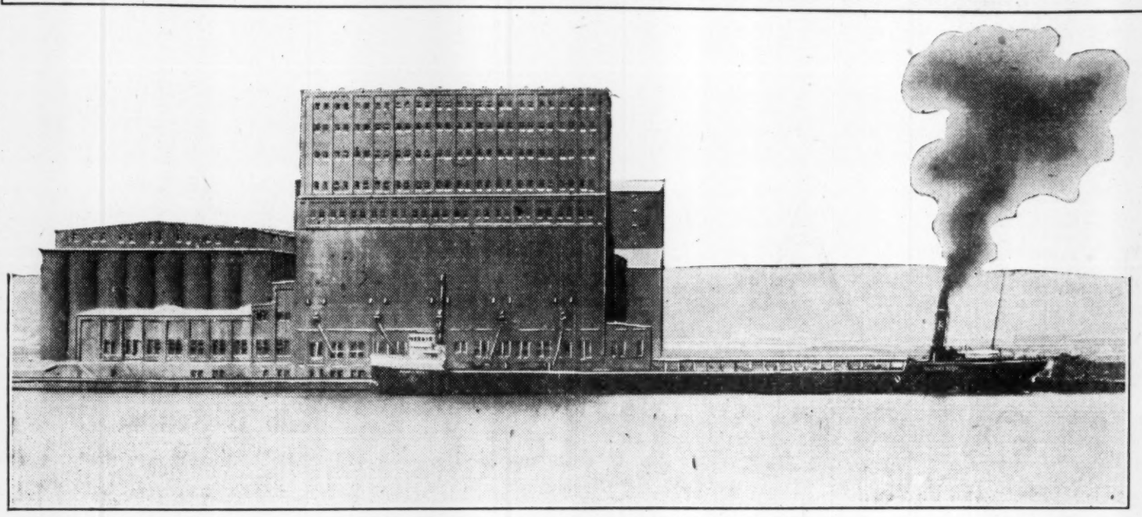

Photograph shows great lakes steamer loading grain at head-of-the-lakes elevator.

Canada's Terminal Elevators System

(Apart from Country Elevators)
(Including only Elevators of 100,000 Bushels or More Capacity, corrected to Oct. 10, 1928)

ONTARIO

Fort William-Port Arthur (Bushels Capacity)

	Fort William	Port Arthur
Public Terminal Elevators—		
Canadian Government Elevator	.....	3,250,000
Grand Trunk Pacific Elevator Co.	5,750,000	.....
Sask. Pool Terminals, Ltd., No. 6	.....	7,500,000
Sask. Pool Terminals, Ltd., No. 4	.....	6,425,000
Private Elevators—		
United Grain Growers' Terminals, Ltd.	.....	5,500,000
Northland Elev. Co., Ltd.	7,500,000	.....
Bawlf Terminal Elev.	.....	2,350,000
Bole Grain Co.	1,000,000	
Consolidated Elevator Co.	1,750,000	
Gillespie Term. Grain Co., Ltd.	225,000	
Man. Co-Op. Wheat Prod. No. 2	.....	575,000
Man. Co-Op. Wheat Prod. No. 1	.....	1,300,000
Eastern Term. Elev. Co.	.....	3,500,000
Canadian Consolidated Grain Co., Ltd	1,750,000	
Fort William Elevator Co.	1,750,000	
Sask. Pool Terminals, Ltd., No. 8	2,500,000	
Northwestern Elevator Co.	3,000,000	
N. M. Paterson & Co.	2,500,000	
Reliance Terminals Elevator Co.	.....	3,800,000
Stewart Terminals	.....	2,250,000
Superior Elevator Co.	.....	900,000
Sask. Pool Terminals Co., No. 5	.....	2,100,000
Canadian Consolidated Grain Co., Ltd.	.....	1,500,000
Union Terminal	.....	1,100,000
Western Terminal Elevator Co.	2,100,000	
Ogilvie Flour Mills Co., Ltd.	3,000,000	
Searle Terminal, Ltd.,	3,000,000	
Sask. Pool Terms., Ltd., No. 7 (under construct.)	.....	6,900,000

PORT McNICOLL

Public Elevator—	
Canadian Pacific Railway	6,500,000

Toronto

Public Elevator—	
Maple Leaf Milling Co., Ltd.	350,000

Collingwood

Public Elevator—	
Edward R. Bacon Grain Co.	150,000

Depot Harbor

Public Elevator—	
Donahue Stratton Company	1,650,000

Midland

Public Elevator—	
Midland Simcoe Elevator Co., Ltd.	2,000,000
Canada Steamship Lines, Ltd.	4,000,000

Port Colborne

Public Elevators—	
Canadian Government Elevator	2,000,000
Maple Leaf Milling Co., Ltd.	1,500,000

Sarnia

Public Elevator—	
Sarnia Elevator Co., Ltd.	1,000,000

Tiffin

Public Elevators—	
Canadian National Railway Company	4,500,000
Aberdeen Elevator Co., Ltd.	1,000,000

Keewatin

Private Elevators—	
Lake of Woods Milling Co., Ltd. (2)	1,300,000

Kenora

Private Elevator—	
Maple Leaf Milling Co., Ltd.	450,000

Goderich

Public Elevators—	
Goderich Elevator & Transit Co., Ltd.	2,000,000
Western Canada Flour Mills Co., Ltd.	600,000

Kingston

Public Elevator—	
James Richardson & Sons, Ltd.	250,000

Owen Sound

Public Elevator—	
Great Lakes Elevator Co., Ltd.	2,000,000

MANITOBA

Portage La Prairie

Private Elevator—	
Lake of Woods Milling Co.	125,000
Lake of Woods Milling Co., Ltd. (Elev. E)	100,000

St. Boniface

Private Elevators—	
Consumers Elevator Co., Ltd.	135,000
Man. Co-Op. Wheat Producers, Ltd.	125,000
Western Canada Flour Mills, Ltd.	750,000
Canada Malting Co., Ltd. (manufacturing elevator)	1,192,000

Winnipeg

Private Elevator—	
Ogilvie Flour Mills (2)	575,000

Transcona

Private Elevators—	
Dominion Malting Co., Ltd.	1,000,000
Wiley Low & Co., Ltd.	1,000,000

SASKATCHEWAN

Moose Jaw

Private Elevators—	
Robin Hood Mills, Ltd.	907,000
Public Terminal Elevator—	
Canadian Government Elevators	3,500,000

Saskatoon

Private Elevators—	
Quaker Oats Co.	1,180,000
Robin Hood Mills, Ltd.	420,000
Public Terminal Elevator—	
Canadian Government Elevator	3,500,000

ALBERTA

Calgary

Private Elevators—	
Western Canada Flour Mills (2)	575,000
Robin Hood Mills, Ltd.	600,000
Alberta Pacific Grain (1)	250,000
Spillers Canadian Milling Co., Ltd.	520,000
Calgary Terminal Grain Co., Ltd.	140,000
Canada Malting Co., Ltd. (manufacturing elevator)	650,000
Public Terminal Elevator—	
Canadian Government Elevator	2,500,000

Edmonton

Private Elevators—	
Ogilvie Flour Mills Co., Ltd.	120,000
Gillespie Grain Co., Ltd.	100,000
Edmonton Terminal Grain Co., Ltd.	140,000
Public Terminal Elevator—	
Canadian Government Elevator	2,500,000

Medicine Hat

Private Elevators—	
Lake of Woods Milling Co., Ltd.	225,000
Ogilvie Flour Mills Co., Ltd.	400,000
Hedley Shaw Milling Co., Ltd.	175,000

BRITISH COLUMBIA

Vancouver

Public Terminal Elevators—	
Pacific Terminal Elevator Co., Ltd.	2,100,000
Private Elevators—	
Alberta Pool Elevators, Ltd.	2,400,000
Panama Pacific Grain Terminals, Ltd. (under construction)	1,000,000
Burrard Elevator Co.	1,630,000
Vancouver Milling and Grain Co., Ltd.	200,000
Columbia Grain Elevator Co., Ltd.	125,000
Alberta Pool Elevators, Ltd.	1,650,000
Vancouver Terminal Co., Ltd.	2,250,000
Vernon and Buckerfield (under construction)	200,000
Midland Pacific Terminals, Ltd.	500,000

Prince Rupert

Private Elevator—	
Alberta Pool Elevators, Ltd.	1,250,000

QUEBEC

Montreal

Public Elevators—	
Montreal Harbor Commissioners (4)	12,160,000
Ogilvie Flour Mills (2)	1,150,000

Quebec

Public Elevators—	
Quebec Harbor Commissioners	2,000,000

MARITIME PROVINCES

St. John, N.B.

Public Elevators—	
Canadian Pacific Railway (2)	1,700,000
Canadian National Railway	500,000

Halifax, N.S.

Public Elevators—	
Canadian National Railway	500,000
Canadian Government Elevators	1,000,000

Country Elevators Now Total 5,000

(Continued from page 45)

this tends to prevent any attempt to beat down the farmer's price unfairly. A very real competition exists from the "platform." This is a loading platform provided by the railways. If he wishes, the farmer may get a car from the railways, load into it directly and save elevator charges.

Less than ten per cent. of the grain is handled in platform loadings, but this ten per cent. is a real factor in competition.

Most of what has been said applies to the independent operators. The millers and maltsters, as will be seen by a glance back to the table earlier in this article, own and operate several hundred elevators which are in direct competition with the independents. These elevators exist to enable the milling companies to buy their supplies of wheat direct from the producers.

Another class of owner is the farmer-owned company. The Saskatchewan Co-operative Elevator Company was the largest operator of elevators in Canada, but it sold out two years ago to the wheat pool and now the United Grain Growers is the one large farmer-owned elevator company in existence.

Wheat Pool Elevators

The wheat pool now operates elevators and is building many more. But the wheat pool also uses the facilities afforded by the independent elevators who have continued to handle wheat pool wheat without fear or favor. The pool still depends largely upon the independent elevators for service. It will likely continue to do so. It could not have come into existence and continued in existence without the service it has received from these companies who handle pool grain at the usual fees and even make cash advances equivalent to the first pool payment. The grain trade goes further than the law requires in this because it feels that its first duty is to serve the farmer, whether he be a member of the pool or not.

The country elevators are all licensed by the Dominion Government. Their every activity is hedged about by stringent regulations and all of their charges are fixed by law. No other public utility in Canada is under such strict control.

Increased Capacity with Superior D. P. Cups

SUPERIOR D. P. Elevator Buckets are designed to give you the maximum handling capacity in your elevator without changing speed or spacing. They will give you a perfect discharge at the same time.

Superior D. P. Cups are strong enough to handle heavy wet grain and will not rust out quickly.

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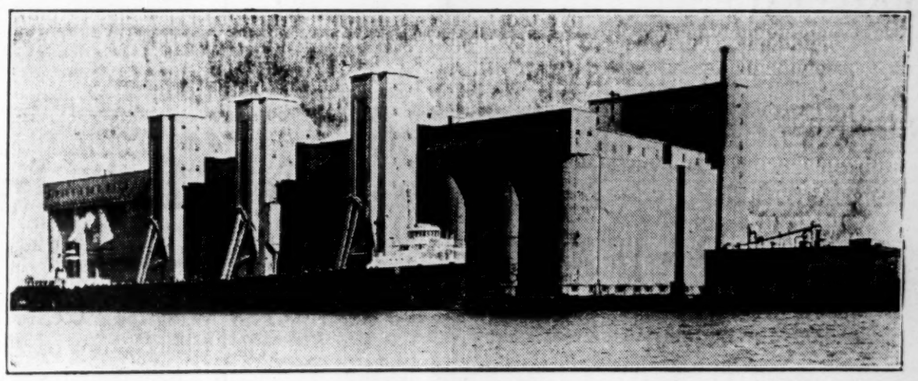

Canadian Pacific Railway Elevator, Port McNicoll. Capacity 6,000,000 Bushels

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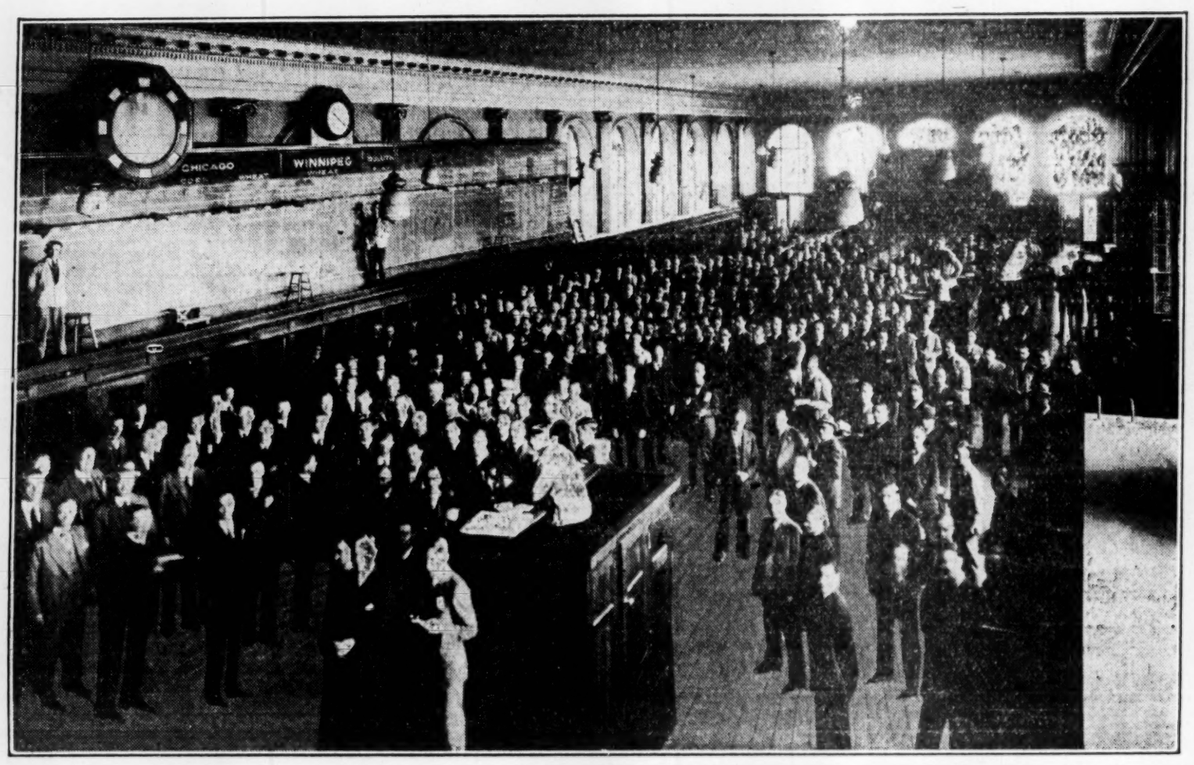


The World's Most Important Cash Grain Market.

The Winnipeg Grain Exchange is a non-profit institution. It is an association of Canadians interested in all branches of the grain business, the basic enterprise of Canada.

The Winnipeg Grain Exchange provides a market place where seller and buyer may meet in the marketing of the greatest of our annual crops.

The Grain Exchange does more than provide a market place. It enables high standards of practice to be maintained in the grain trade; it provides facilities for prompt and efficient dispatch of business; and it holds for Canada benefits in the distribution of grain, produce and provisions that might otherwise accrue to citizens of other nations.

In short, the Grain Exchange is a service institution of national importance.

Winnipeg Grain Exchange

Combine Being Adopted Throughout West but has Limitations on Some Farms

Costs of Harvesting With New Method Show Some Startling Savings But Farmers Must "Farm for the Combine"

The "combine" is being sold to farmers on the Western prairie in such quantities as to lead the casual observer to believe that a new, revolutionary and universally applicable method of harvesting grain has been developed. This is not true; the combine is revolutionary in the sense that some 5,000 farmers in one province alone—Saskatchewan—are said to be using the combined reaper-thresher in their operations, although the first to be imported into the West by a private farmer arrived as recently as 1921, and this had to be bought in Kansas because the implement companies were not sufficiently sure of the machine and declined to sell it to Canadian farmers.

A few of the farmers who have purchased combines are going to meet with disappointment because of climatic or other obstacles to their success with this remarkable new crop-garnering machine, and if the purchase of combine harvesters were to become widespread in the West these disappointments would, of course, be multiplied. If in discussing the combine in this article some emphasis is laid upon the reasons why students of agricultural engineering are advising caution in the use of the machine it is not to minimize the very real and true advantages of the machine but because practically only one side of the combine story has been told in Eastern Canada, in business Canada, in other than agricultural circles. It has become a very widespread belief that the combine is sweeping the West and revolutionizing harvesting operations there.

Cradle First Used

Harvesting grain in Western Canada has gone through various stages of development and it is quite likely that the first wheat crops sown in the Red River Valley by the Selkirk settlers were cut and gathered with the time-honored cradle. But sundry types of binders, each new one progressively showing mechanical improvements upon the former, have been the basis of most of the West's harvesting operations, with the familiar and tried threshing machine serving to separate the grain from the straw. The number of variations that have been introduced into this tried practice in threshing are infinite, especially in the stooking operations. While it is probable that most of the stooking is done by hand, an operation that accounts for the bulk of the enormous number of harvesters who are demanded in Western Canada at each crop season, there have been many developments in mechanical stooking and pitching.

Costs Around $4 an Acre

Without discussing the variations in the process it may be pointed out that under average conditions and with the use of average equipment the cost of using the binder and the thresher as separate units, the process most common in the West and likely to remain most common for many years to come, runs about $4 an acre. A good farmer with up-to-date machinery, to which he gives good care can reduce this figure and many farmers, if their costs were known, would show considerably higher expense per acre.

Now what does $4 an acre mean in the margin of profit of the farmer? If the farmer has a poor crop, say ten bushels to the acre, his harvesting operations cost him 40 cents a bushel. If he is getting a net of about 80 cents per bushel or possibly 70 cents per bushel or less for the particular grade of grain he has grown, after allowing for the freight charges to the point at which the price is uniform, it is quite obvious that he cannot prepare the land, buy and sow seed, and then pay 40 cents a bushel to harvest and still have enough money left over from a half-section of land to pay his taxes and meet his just due debts. If he has a twenty bushel crop his harvesting costs are practically unchanged and it means an extra twenty cents a bushel net profit and this in turn means a substantial income on the year's operations. If he runs into a record crop of around forty bushels to the acre, another ten cents a bushel is added to his income and if the grain should average of a high grade and prices that year should be as high as they have been in the three years previous to the present one, he is due to make a lot of money. In fact, when one considers the spread of profit that can be made on wheat under such conditions one must appreciate how much was added to the wealth of the West by the three fair or excellent crops of 1925, 1926 and 1927 when the average price return to the farm was rather substantial. It is little wonder that the farmer in the West was able to pay up debts that had been contracted in the four or five years of depression that had gone before when yields were low and prices low as well and when livestock and other agricultural products were just as badly depressed and the only high prices that there were noticeable were in the things the farmer had to buy.

Harvesting Cost Important

This variation in the possible profit per bushel and per farm that the wheat grower may make in different years is what constantly draws attention to the new and improved methods of harvesting that are calculated to reduce the costs of moving a bushel of wheat from the standing straw to the country elevator. It will be quite obvious that when yields and prices are high any saving in harvesting costs while valuable, does not represent the difference between profit and loss to the farmer. But when yields are low and prices are low, a difference of anywhere between five and ten cents a bushel in harvesting costs looms as large as Mountstephen.

The combine is likely to cut the harvesting charge in two on the average farm. Figures carefully prepared by experts give an over all cost of combine harvesting of around $2.10 an acre as compared with the $4 cost shown above for the separate reapers and threshers.

These figures as presented by the University of Saskatchewan are as follows:

Cost of Using Combine

The cost per acre for operating a 15 or 16 foot combine in Saskatchewan is somewhat as follows:

Average cost of combine, $2,300.

Fixed charges per annum:

Depreciation at 10 per cent	$230
Interest on half the value at 8 per cent	92
Repairs	50
Housing	30
	$402

The average farmer on a section farm will usually cut 400 acres per year. Consequently the fixed charges per acre amount to $1 per acre.

Operating charges per day:

25 gallons of gasoline at 30c.	$ 7.50
Oil and grease	2.50
Power to pull the combine	13.10
2 men	10.00
	$33.10

When 30 acres are cut per day the operating charge per acre is $1.10 per acre. The total cost including fixed charges and operating costs per acre would be $2.10.

Big Saving Per Bushel

What does this mean in harvesting cost per bushel? On a ten bushel crop the saving is nearly 20 cents per bushel. On a twenty bushel crop it is about 10 cents. Even on a bumper 40 bushel crop the saving is five cents per bushel. No one can tell the Western farmer that these figures do not spell success to him and this explains the rapid trend to the combine.

Danger of Damage

It is quite evident that there is considerable saving in using the combine for harvesting instead of the binder and standard thresher. The difficulty which has not yet been entirely overcome is the great risk in leaving the grain crop standing until it becomes dead ripe. The combine only works well with a uniformly ripened crop free from weeds. And if the farmer leaves his grain for complete ripening there is a danger of serious damage by storms and frost, as well as the fear of early snows such as were experienced last fall. With the binder and thresher, the grain can be allowed to lie in the field or stand in the stooks to dry out before being threshed.

Many of the farmers using the combine realize the importance of farming for the combine in order to use them with any degree of safety. The seed bed must be put into shape to insure uniform germination. The proper variety of grain must be grown so that it will mature early and uniformly, and also withstand wind and storm in the fall without shattering seriously. The crop must be seeded early so that it will be well out of the way of the frost by the middle of August. Grain must be seeded at the correct rate to hasten ripening. Marquis Wheat is favored for the combine because it is the toughest to thresh.

Weeds, Flies Are Menace

Green weeds offer many difficulties to straight combining in the fall, consequently the successful combine user must farm to reduce weed growth.

The sawfly and wire worm offer difficulties to the combine user. Every effort must be made in a co-operative way to reduce the spread of the insect pests.

The farm machinery companies have recognized the criticism of the use of the combine in that the crop must stand from 10 days to two weeks longer than when cutting with the binder for the grain to become dead ripe, and have designed swathing machines which will cut and windrow 16 to 20 foot swaths of grain. These can afterwards be picked up by the combine and threshed. A very simple and satisfactory pickup has been designed to pick up the windrows of grain.

The cost of harvesting with the combine and swather is not fixed as yet. No reliable data are available.

Favor Windrow Type

There are many people in the West who believe that the windrow type of combine will ultimately prove to be the most satisfactory and popular. A Western paper recently reported an interview with an implement man whose views are typical of some widely held.

"This country is not right for a straight combine. The only thing we want up here is a windrow combine or swather," H. H. Kohlman, the manager of the John Deere Plow Company of Saskatchewan, Limited, said in this interview.

"The swather has a 16-foot cutting bar, and after the wheat has been windrowed and exposed to the air, or air cured, you might say, from eight to 12 days, then the combine thresher, equipped with a pick-up attachment, does all the threshing. Then you're through."

Mr. Kohlman stated that it was just a matter of time when the combine would come to dominate Western Canada's harvesting and threshing operations, and declared that this new machine had already made advanced inroads into the West.

Giving his reasons for the permanent aspect which the recent advent of the combines is taking, Mr. Kohlman pointed out that besides being efficient, the combine has come to be regarded as a master stroke in Western agricultural economy.

Cites Examples of Success

He cited as examples, George Lekwetz, of Gray, and F. B. Lewis, M.L.A., Milestone, farmers who have found the combine surprisingly efficient and economical. Mr. Lekwetz's three sons, using the combine, have been able to handle the crop of one and one-half sections of land. Two operated the combine and tractor, while the third boy hauled the grain off with a truck. These farmers would not be without the combines now since they have proven so satisfactory to them.

A noteworthy drop has been recorded this fall in the sale of binder twine and Mr. Kohlman attributes this falling off directly to the striking advance that the combine has made since its introduction.

Two men operating a combine can thresh as much as 180 bushels of grain an hour. The farmer with a combine, if conditions are ideal, can reap and thresh his whole crop in a much smaller time than he could do it with older equipment. He can often do it with such help as is available the year round on the farm. The combine as it becomes more widely adopted most assuredly will reduce the demands for extra harvest labor.

Clog Elevator System

On the other hand, it will intensify an old problem; that of handling the sudden rush of grain. If a large percentage of the farmers in a certain district operate combines and haul their grain to the country terminal as rapidly as it is threshed the local elevator accommodation will be taxed to the limit. The peak load in grain handling will become a higher peak. Then inducements will have to be offered to farmers to hold their grain. The Saskatchewan wheat pool is this year offering a premium above the regular pool distribution to farmers who deliver grain after the turn of the year and next spring.

Not New Invention

Information concerning the use of combine harvesters in Western Canada, showing the relative cost between the old and new methods of harvesting the prairie grain crops, recently was furnished by S. Melville Webb, manager of the Big Four Farm, Flaxcombe, Sask., for J. J. Strutt, of London, Eng.

Mr. Webb said in part:

"The advent of the combines to Western Canada has given rise to much discussion as to their merits and suitability for this country. There are such diverse opinions on results obtained that it is as well, in the first place, to acknowledge the fact that this is not a new invention, but has been in use for years in other countries, and it is also as well to remember that the conditions existing in these countries differ from those existing here, and that the machine has been evolved to suit those conditions. The countries where the combines have been in use usually harvest a crop of from 10 to 20 bushels per acre, and one that has ripened quickly and uniformly, thereby being admirably suited for the use of the combine. Here, in the West, however, we have a heavier yield and heavier load of straw with it, and our climatic conditions are such that from the period of completion of the head filling to the time when the kernel is hard and ready to thresh, is a long one when the crop is left standing.

"This year, 1928, was a very good example of a heavy Western crop, with a long delayed ripening process. The result was that many farmers, becoming anxious, started in to combine before the whole of their crop was fit to thresh, and as a consequence had many green kernels, thereby spoiling the grade. This, however, is not the fault of the machine. The same judgment in farming must be used in this operation as in that of all other operations, such as seeding, cultivating, etc.

Swather Best For Most of Crop

"The method that gave the best results this year was, to straight combine the early fields, such as those that were sown first, or grown on light soils, and on the remainder to put in the swather, preferably having this part of the crop a little more advanced than when usually cut with a binder. This is not essential, however, but does perhaps assure a better sample. This swathed grain is then left in the swaths, just the same as if it were in stooks, until such time as the kernels have hardened, and this period is a little shorter than that allowed for stooks. By this time the early fields have been straight combined and the machines are ready to pull into the swathed fields, pick up and thresh. If these operations are carried on with judgment, there is no necessity for waiting, which is both trying and dangerous.

"The harvest conditions existing this year were ideal for the operation of the combines, but they were also ideal for the usual method of harvesting. What little experience has been had of rain in the fall of 1927 showed that the swathed grain dried out quicker and suffered less than in the stooks.

Thick Stand Essential

"When using a swather, one must have a thick stand of straw in order to keep the swath from going to the ground, and also to leave the stubble about a foot high, insuring a good, stiff support for the swath. Under these conditions, the swath will rarely go down. In a light crop, 10 to 20 bushels, the original use for the combine comes into play again, and such crops must be straight combined, for there is not a thick enough or strong enough stubble to carry a swath. In the natural order of things, straight combining here is self-apparent, for a 15-bushel crop ripens evenly and quickly and is ready for combining without any delay.

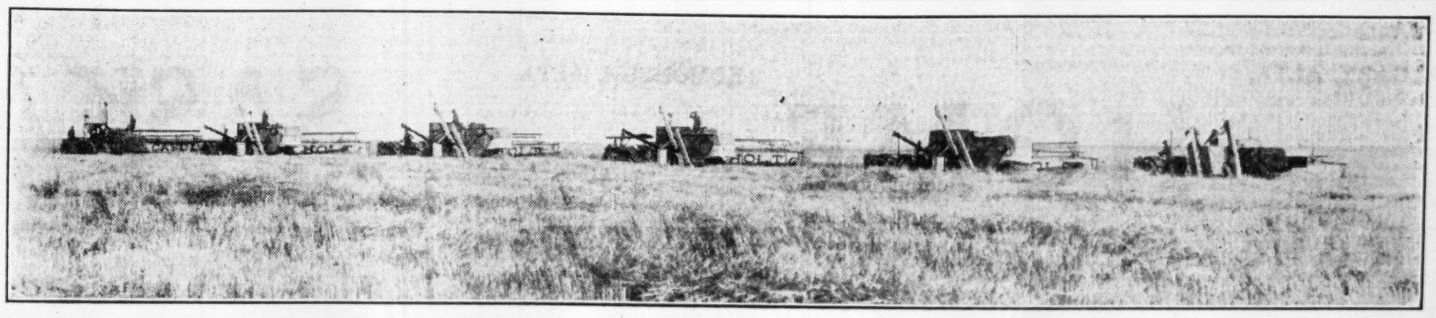
"The machine companies will freely acknowledge that the use of combines in the West is more or less in an experimental stage, so that when complaints are heard about weak points, this year, it does not follow that they will exist next year. For instance, in crops of the yield of this year, the cutting swath on the combine could be cut down from 16 feet to 10, to allow the machine to be able to handle the heavy straw and an outturn of 30 bushels per acre in a satisfactory manner. When taking the 16-foot swath it was frequently found that the machine had to stop traction to allow the decks and racks to clear themselves from the heavy load and do good threshing.

Binders Still Useful

"There is no question of scrapping binders on account of the advent of the combines and swathers, any more than horses will be scrapped because the small tractors have become an economical power. The binders will still be used in cases where neither the combine nor swather can with economy be used.

"The cost of harvesting with these new machines shows such a startling saving over the old method that even where conditions are slightly unfavorable and the costs somewhat higher, in consequence they would still show a sufficient saving to justify their adoption in the West."

Combines Further Mechanize Grain Harvesting Operation



Photograph shows a row of six combines at work on C. S. Noble's ranch, at Nobleford, Alberta. —C.P.R. photo

Big Increase in Sales of Combine Threshers

By GORDON G. DUNCAN,
International Harvester Co., Hamilton, Ont.

In the Prairie Provinces, the increase in the sale of tractors, harvester-threshers, windrow-harvesters and pick-up attachments has been tremendous, and 1929 shows every indication of being just as big, if not bigger and more successful than its predecessor, 1928.

Tractor sales in 1928 showed an increase of 71 per cent over 1927, and during the past ten years 70,786 tractors have been sold in the Prairie Provinces. It has been conservatively estimated that in these provinces 95,000 farmers do not own tractors or the power machinery to go with them.

Harvester-threshers have increased from 598 in 1927 to 3,657 in 1928, or an increase of 611 per cent. Windrow-harvesters have just undergone a most successful year in sales. 1,434 of these machines were sold in 1928, and this is an increase of well over 200 per cent. Pick-up attachments have also been in great demand, 1,418 were sold, which shows an increase of well over 100 per cent. These figures include all makes of machines.

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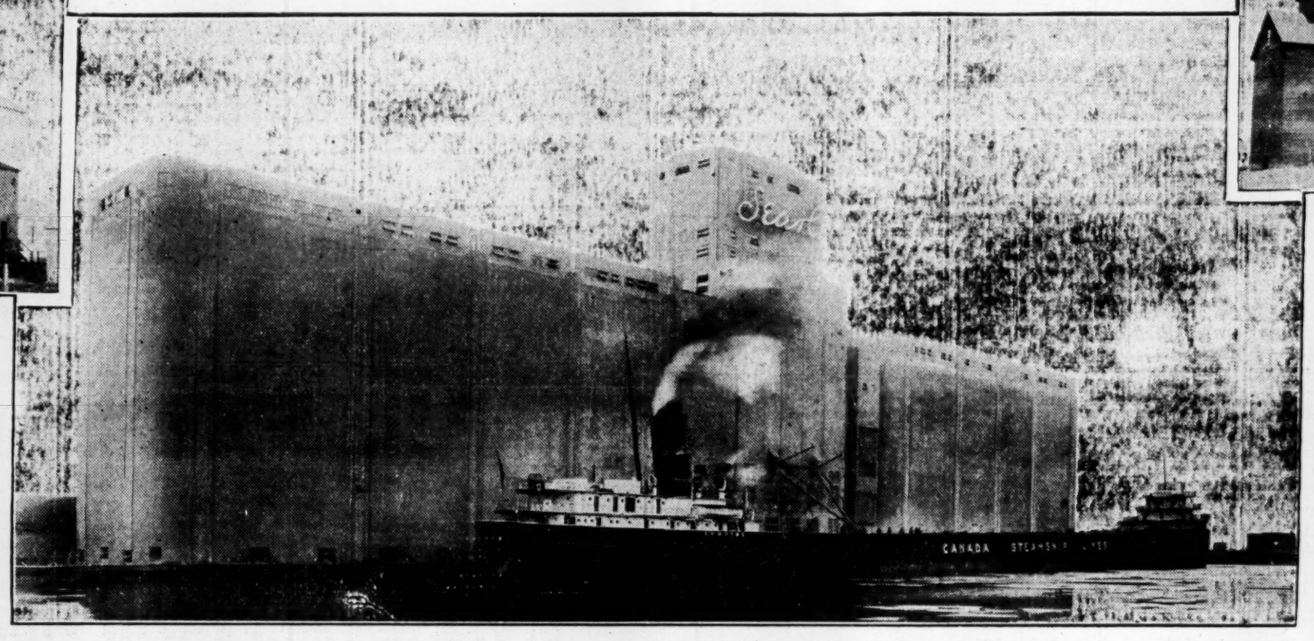

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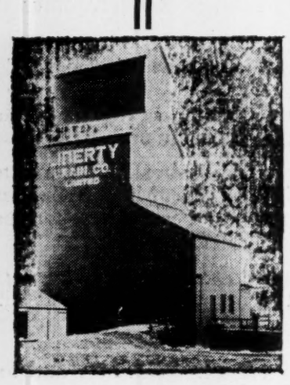

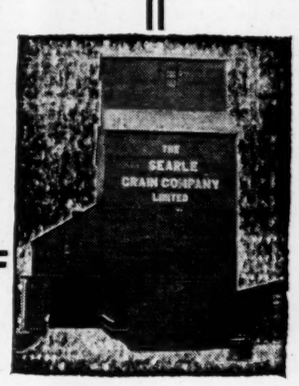

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Takes Vast Sum of Money to Finance Grain Crop from Grower to Buyer

Banks Put Up Around One Hundred Million Dollars and Grain Firms Also Help

The biggest annual financing job in Canada each year is that of providing the money to handle the western grain crop. The farmer who delivers grain to his nearest railway station wants cash for it or a substantial payment on account. But his wheat may not be delivered to the ultimate buyer, and paid for, for many months. A great reservoir of credit carries the load of enabling the seller to get cash when he delivers his wheat and the buyer to pay for his wheat when he gets it.

Takes About $150,000,000

It has been estimated that it takes at certain periods approximately $150,000,000 to handle the crop, and it takes that amount of money for perhaps three to four months. If by any reason of ideal harvesting conditions the season is shortened, then for a correspondingly shorter period of time it takes even more than that amount. If the season is protracted, it takes somewhat less, but spread over a longer time. However, it may be taken as a generality that every year from somewhere or other $150,000,000 must be forthcoming to harvest and sell Western Canada's crop. But while the actual amount of money in use at one time is about $150,000,000, the credit resources that are brought to play in financing the crop movement far out-reach that figure. It is estimated that the banks of Canada grant credits totaling $200,000,000 to line elevator companies, the wheat pool, etc., and, in addition, the resources of the private grain trade are always at work. The $200,000,000 bank credits are never entirely in use at one time. When it is said that about $150,000,000 is on loan against grain moving outwards from the prairies, it may roughly be assumed that about a third of this is private money, and the figures only include credit used in handling the crop from the farm to Fort William, or Vancouver, and do not include credit in the East or on the ocean.

To commence at the beginning, however, the farmer of a few years ago, went to the bank to borrow the money to put in his crop. He gave as security his note, while the bank manager naturally enquired as to how much land he owned, the condition of the mortgages against it, improvements on the land, cattle owned, and so forth, in order to see that there was a reasonably sound basis for the credit. The same conditions still largely prevail, the amount of assistance required in the spring depending to some extent upon the success or failure of the previous crop. This transaction is, of course, fairly simple, the loan being made directly by the bank. Then, when the crop is ready for harvest, the bank may again be appealed to for preliminary funds to enable the farmer to pay wages, feed his men, purchase binder twine, etc. It is when thousands of farmers, however, have brought their crops to the point that they are ready for the market that, in the aggregate, vast sums of money make their appearance.

Different Methods of Marketing

There are several methods of marketing. The farmer, for instance, may not want to sell at once. He can put his crop in an elevator, or his own granary and, under Section 88 of the Bank Act, obtain certificates showing the amount and the grade of the wheat, and then go to the bank with the certificates and borrow money against them to pay his store and other accounts. Later, perhaps, he orders a car from the railroad company, ships his grain to the order of a brokerage house, either with instructions to sell or to be held for orders. In either event he may draw upon the grain company up to a reasonable margin of the market value of his product, and is then able to pay off his indebtedness to the bank.

Or May Get Cash at Once

Instead of doing this, he may have sold to a street bidder, taking the day's price at whatever it was. He then obtains a ticket from his buyer which he is able to cash at the bank immediately.

The banks cash these grain tickets by reason of an agreement entered into with the head office of the grain company, generally in Winnipeg. In making this agreement the grain company has estimated the amount of money it will require for its purchases of grain and, instead of accepting the risks consequent upon sending money out to all its buyers, has asked its bank to establish credits at whatever points the company may be operating. Its own bank may not have a branch at some of the points, but arranges with whatever bank has an office there for the necessary credit, guaranteeing the other bank against loss. It may be incidentally mentioned there is much competition on the part of the banks to cash these grain tickets, as frequently other banking business follows. Every so often the country branch draws on the grain firm with the grain tickets attached, and these are taken up by the grain company, who give a cheque on their own bank in payment. In places where there is no branch bank, the actual cash is sent to a paying agent, the procedure then being the same as before.

The services of the elevator companies in financing the crop cannot be over-emphasized. Not only do they throw into the grain movement their own immense resources, but it is upon their lines of credit at the banks that most of the additional cash is found.

If a pool farmer delivers wheat to a country elevator, he receives an advance from that country elevator equivalent to the pool's fixed advance payment. Until the wheat is delivered to the terminal at the head of the lakes, where the elevator company is reimbursed, the entire transaction is financed upon the credit of the line elevator company just as if the farmer were not a member of the pool.

Keep Branches Supplied With Cash

It will be readily understood that during this period of the year the branch banks must be well supplied with funds, and the main office of each bank in its nearest headquarters attends to feeding the branches with the required cash.

To obtain the funds with which to meet the farmers' drafts, the elevator company must borrow from its bankers. The company presents its balance sheet to its bankers and arranges for a line of credit against grain, borrowing under Section 88 of the Bank Act. The company must of necessity have sufficient liquid assets to enable it to provide a margin required by the banks of at least ten per cent in grain. The elevator companies must render a statement twice a month to the banks showing grain on hand, and must also show their purchases of grain hedged in the market. Roughly speaking, hedging is the operation of covering purchases in the country by selling the grain on the exchanges for future delivery. The elevator companies then ship to terminals at the lake ports. They can then borrow from the banks against terminal warehouse receipts, or sell the grain.

Even Rate of Interest Now

A few years ago it was customary to charge a greater interest rate on grain being held in the country elevators than grain stored in the terminal elevators, but conditions have changed and, generally speaking, the same rate of interest is now charged.

Grain in the terminal elevators is sold to the exporter, who either continues to borrow against it or sell it. If the latter, he draws a bill of exchange against the firm to whom it has been sold, generally some European firm. This bill of exchange is then sold to the bank, who sends it to its European agent or to its own branch office, the money is collected, sent to Canada, the transaction is completed, and the money furnished by the bank, perhaps months earlier, is returned to it.

Does Not Dislocate Business

It will be seen, however, that from the seeding of the crop to the harvesting thereof, the money is drawn from the Canadian chartered banks, and it speaks well for the elasticity of the system that, while they are called upon to produce practically $100,000,000 every year, it is done without the slightest dislocation of ordinary business—so much so, in fact, that few people are aware of the great part the chartered banks play in the seeding, harvesting and marketing of the crop of the Canadian west.

A Quarter-Century Survey of Canada's Place in Wheat

World Wheat Production

	Bushels
1900 ..	2,663,440,000
1901 ..	2,783,784,000
1902 ..	3,175,280,000
1903 ..	3,258,688,000
1904 ..	2,903,420,000
1905 ..	3,252,520,000
1906 ..	3,319,072,000
1907 ..	2,950,840,000
1908 ..	3,093,816,000
1909 ..	3,609,656,000
1910 ..	3,524,824,000
1911 ..	3,463,760,000
1912 ..	3,748,960,000
1913 ..	3,896,800,000
1914 ..	3,551,400,000
1915 ..	4,233,840,000
1916 ..	Returns incomplete.
1917 ..	" "
1918 ..	" "
1919 ..	" "
1920 ..	2,889,269,000
1921 ..	3,110,961,000
1922 ..	3,506,530,000
1923 ..	3,818,844,000
1924 ..	3,469,640,000
1925 ..	4,030,674,371
1926 ..	4,178,942,000
1927 ..	4,204,866,070
1928 ..	3,780,000,000*

Canadian Wheat Production

	Bushels
1900 ..	55,000,000
1901 ..	85,000,000
1902 ..	93,000,000
1903 ..	78,000,000
1904 ..	69,000,000
1905 ..	106,000,000
1906 ..	125,000,000
1907 ..	93,000,000
1908 ..	112,000,000
1909 ..	166,000,000
1910 ..	132,000,000
1911 ..	230,000,000
1912 ..	224,000,000
1913 ..	231,000,000
1914 ..	161,000,000
1915 ..	393,000,000
1916 ..	262,000,000
1917 ..	233,000,000
1918 ..	189,000,000
1919 ..	193,000,000
1920 ..	263,000,000
1921 ..	300,000,000
1922 ..	399,000,000
1923 ..	474,000,000
1924 ..	262,000,000
1925 ..	411,000,000
1926 ..	410,000,000
1927 ..	440,025,000
1928 ..	533,570,700

*Exclusive of Russia and China. Comparable 1927 figure 3,605,000,000 bus.

United States Wheat Production

	Bushels.
1900 ..	602,708,000
1901 ..	789,538,000
1902 ..	724,528,000
1903 ..	664,543,000
1904 ..	596,375,000
1905 ..	726,384,000
1906 ..	757,195,000
1907 ..	637,981,000
1908 ..	644,656,000
1909 ..	700,434,000
1910 ..	635,121,000
1911 ..	621,338,000
1912 ..	730,267,000
1913 ..	753,380,000
1914 ..	891,017,000
1915 ..	1,025,801,000
1916 ..	636,318,000
1917 ..	636,655,000
1918 ..	921,438,000
1919 ..	967,979,000
1920 ..	833,027,000
1921 ..	814,905,000
1922 ..	797,381,000
1923 ..	792,381,000
1924 ..	864,428,000
1925 ..	676,429,000
1926 ..	832,305,000
1927 ..	871,691,000
1928 ..	901,000,000

Canadian Wheat Exports **

	As Wheat Bushels	As Flour Bushels	Total Bushels
1901-2	9,740,000	5,000,000	14,740,000
1902-3	26,100,000	3,900,000	31,000,000
1903-4	32,900,000	5,900,000	38,800,000
1904-5	16,800,000	7,100,000	23,900,000
1905-6	14,700,000	5,900,000	20,600,000
1906-7	40,000,000	6,800,000	47,200,000
1907-8	25,500,000	4,900,000	30,400,000
1908-9	43,600,000	8,900,000	52,500,000
1909-10	49,100,000	7,800,000	56,900,000
1910-11	49,700,000	13,800,000	63,500,000
1911-12	45,800,000	13,700,000	59,500,000
1912-13	64,500,000	16,800,000	81,300,000
1913-14	110,900,000	20,700,000	131,600,000
1914-15	63,900,000	22,800,000	86,700,000
1915-16	235,700,000	33,500,000	269,200,000
1916-17	140,200,000	34,400,000	174,600,000
1917-18	118,600,000	50,600,000	169,200,000
1918-19	62,600,000	41,000,000	103,600,000
1919-20	63,400,000	29,100,000	92,500,000
1920-21	137,000,000	30,200,000	167,200,000
1921-22	150,900,000	34,900,000	185,800,000
1922-23	229,800,000	49,600,000	279,400,000
1923-24	292,400,000	54,100,000	346,500,000
1924-25	147,000,000	45,700,000	192,700,000
1925-26	275,600,000	49,000,000	324,600,000
1927-28	251,300,000	41,600,000	292,900,000
1927-28	288,600,000	44,300,000	332,900,000

** For crop year from August 1 to July 31

Canadian Flour Production

Calendar Year

	Wheat Consumed in Bushels	Flour Produced in Barrels
1917 ..	84,488,264	17,687,338
1918 ..	78,486,826	17,880,912
1919 ..	78,591,648	17,842,833
1920 ..	61,116,380	13,127,320
1921 ..	70,005,373	15,321,759
1922 ..	81,413,649	18,055,010
1923 ..	85,699,645	21,076,733
1924 ..	95,750,772	21,076,733
1925 ..	80,901,984	17,769,366
1926 ..	85,316,163	18,965,368
1927 ..	80,997,173	17,838,546†
1928 ..	86,842,296	18,910,384†

† Crop years to July 31

Canadian Flour Exports

Fiscal Years to March 31

	Barrels
1901	1,118,700
1911	3,049,046
1921	6,017,032
1922	7,414,282
1923	10,227,060
1924	11,714,929
1925	11,029,227
1926	10,084,974
1927	10,147,705
1928	9,387,273

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	1925	-	7,752
Last Quarter	1926	-	8,859
" "	1927	-	14,614
" "	1928	-	18,275
End of Dec.	1928	-	20,002
February	1929	-	24,000

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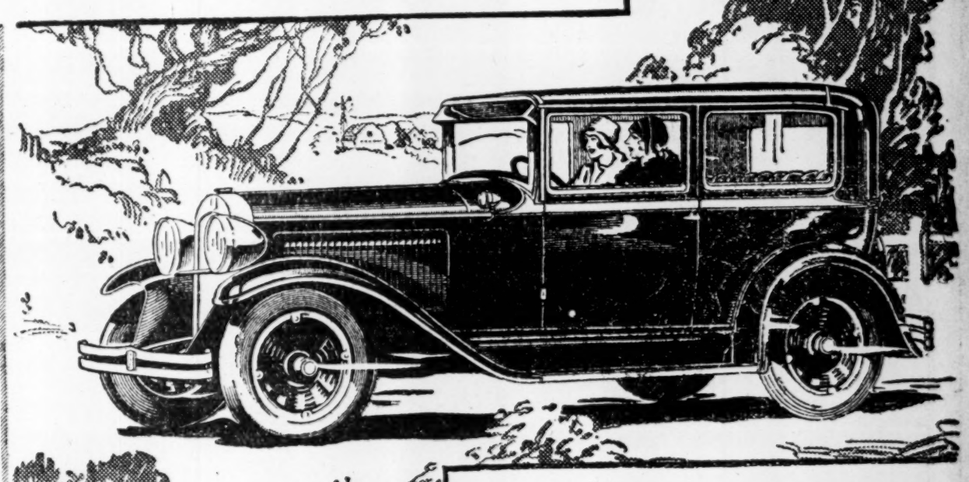

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Sask. Enquiry Into Grain Can Hardly Find New Ground to Cover

Turgeon Commission of Dominion Government Went Into Same Matters as Recently as 1925—Purpose of Saskatchewan Inquiry Detailed

The Grain Enquiry Commission appointed by the Saskatchewan Government has held a number of sittings at country points within the Province of Saskatchewan, sufficient to establish the fact that this year there has been a good deal of dissatisfaction among farmers in connection with the grading of grain and the prices received for lower grades. It could hardly have been otherwise in a year when so large a percentage of the crop is of low grade. The farmer who finds his wheat grade No. 4, 5, 6 or lower is naturally inclined to question both the system of grading which marks his grain down and the spread in prices which prevails between wheat of different grades.

As was also to be expected, there has been a good deal of criticism of the mixing of different grades, a subject which has been a contentious one for at least twenty years.

Why Commission Was Appointed

The Commissioners appointed by the Saskatchewan Government, by Order-in-Council dated November 10, 1928, are Chief Justice Brown, of the Court of King's Bench for Saskatchewan; J. A. Stoneman, president of the United Farmers of Canada, Saskatchewan Section, and W. J. Rutherford, dean and professor of agriculture in the University of Saskatchewan.

The grounds for appointing the Commission are summed up in the following paragraph in the Order-in-Council:

"WHEREAS our minister of agriculture reports that there has been widespread dissatisfaction throughout the Province of Saskatchewan among growers of wheat with the present method and system of handling, mixing and grading of wheat, and is of the opinion that it would be to the public advantage that an inquiry be made into the whole matter, with a view of effecting improvements there;"

Wheat Commission Set Out to Study

The Commission was instructed to enquire particularly into the following matters:

1. The method now employed in grading wheat and whether advantage would result to the growers of wheat in Saskatchewan if the present system of grading wheat were altered or replaced by some other method which would more accurately indicate its value for milling purposes.
2. The effect which the present system of mixing and grading wheat has upon the condition, quality and price of such grain on domestic and other markets.
3. The spreads in price between wheat of the different grades and whether such spreads indicate correctly the comparative value for milling purposes of the different grades of wheat.
4. The moisture content of wheat and the effect thereof on its storage, milling and marketing.

It is to be noted that the grounds of the enquiry are not matters over which the Government or Legislature of the Province of Saskatchewan have previously either exercised or claimed jurisdiction, the whole matter of grain grading and trading being governed by the Canada Grain Act of the Dominion Parliament, which has been frequently revised, and numerous previous enquiries on these subjects have been conducted by the Dominion Government.

The last enquiry of the kind was conducted by the Royal Grain Enquiry Commission, headed by Justice Turgeon, which reported in January, 1925, and the latest revision of the Canada Grain Act was based on the report of that Commission. Dean Rutherford, of the present Saskatchewan Commission, was a member of the former Dominion Government Commission. Its report has generally been accepted as a very masterly document dealing with the whole grain trade, and it might be wondered what additional information could now be brought out.

Since the Turgeon Commission report, however, there have been two crops, those of 1927 and 1928, of a different character to any previously harvested. In 1927 the crop suffered from excessive moisture, and there were enormous quantities of grain which had to be graded tough and damp on that account. In addition, the 1927 crop was much lower than the average in protein content, and purchasers abroad showed a good deal of dissatisfaction when they received grain of lower value than previous experience had accustomed them to expect.

1928 Crop Much Damaged by Frost

The crop of 1928 has been both dry and high in protein value, but owing to frost damage, spread practically over the whole of the Canadian West, the wheat contains an extraordinarily high percentage of kernels damaged to a greater or a less extent by frost. In both years there have been extensive complaints both from farmers whose grain was graded lower than they expected and from purchasers who found the grain of lower quality than they had hoped for.

On top of this, there has continued a process which has been going on for a number of years of gradual deterioration in the average quality of the Canadian crop. Partly this is due to the introduction of new varieties, which, although they may suit the needs of a particular district in earlier ripening or in less susceptibility to rust, are not of as high milling value as wheat formerly raised. In addition, there appears to have been some change in the soil qualities in certain districts, due to lengthy cultivation, which no longer enables them to put out grain of the same high quality as in earlier years, while other districts newly opened up have never attained the same quality as did the Manitoba districts which were first farmed and which made the name "Manitoba No. 1 Hard" famous throughout the world.

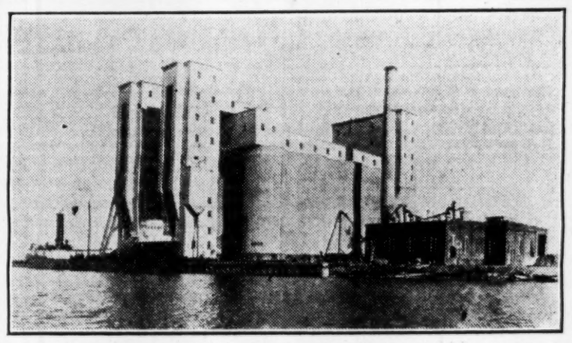
Conditions Lead to Complaints by Farmers

These combined facts have resulted in complaints against the grading system, and there is a tendency on the part of some people to consolidate the complaints and to believe that some action can be taken which, on the one hand, will give the purchasers of grain a higher quality and persuade them to pay more for it than they have been doing, and which, on the other hand, will prevent farmers having to accept low grades for their wheat. Unfortunately these two claims are mutually destructive. There is also a tendency to forget that the quality of the crop is something determined not by the grading system but by Nature. When low grade grain is produced it must be sold, and no readjustment of grades can add a pound to the amount of flour that can be produced from it or add a fraction of a cent to the value of the flour so produced.

Argument Against Mixing

In the argument against mixing grades of grain there is a corresponding confusion of ideas to that suggested above. In the earlier years of the grain trade, mixing of grain was practically unknown. Most of the crop was graded 1, 2 or 3 Northern and went overseas in those grades. In recent years, with the multiplicity of grades of grain being grown in the West, a widespread practice has arisen of mixing grain of different grades in the terminal elevators and having it graded out according to the Government standards. The argument against mixing runs to the effect that mixing lowers the average of the different grades sent overseas, that the purchasers have reduced their bids accordingly, and that the lower price is reflected back to the farmer. On this point

Bay Ports Receive Much Grain



Unloading grain into an elevator at Port McNicoll, on Georgian Bay.

the law now provides, as a result of the last revision of the Canada Grain Act, that grain out of mixing houses must be equal in value not to the minimum requirements of the specific grade but to the average quality of grain turned out of public terminal elevators where mixing is not allowed.

The Turgeon Commission reported that they could not see from evidence of conditions overseas that the reputation and quality of Canada's grain, and therefore the price, had suffered in particular as a result of mixing in private elevators being allowed. On behalf of the practice of mixing, it is pointed out that Canadian grain is going to be mixed anyway before it is milled, either with other Canadian grain of different grades or with grain from other countries. The market for certain off-grades of grain would be very poor indeed if they could not be taken and mixed with grain of other grades before being shipped. In addition, the whole condition of the grain trade demands that grain be shipped in large quantities. The cargoes out of Fort William and Port Arthur, for example, frequently attain 300,000 bushels or more of a single grade. Any attempt to send the grain overseas in the multiplicity of grades in which it is received from the farmer would be impossible under our present marketing system.

Net Benefit is to Farmer

Looking at it from the farmers' standpoint, it is quite easy to understand that there are some farmers whose wheat may have graded No. 5, and who learned that through a process of mixing it has gone overseas in a parcel grading No. 4, who may feel that they have been cheated out of the difference in price between No. 4 and No. 5. But there are doubtless also many farmers, although they are usually not so much inclined to air their opinions, who realize that their No. 5 wheat might have had a very poor market indeed if it could not have been bought for mixing with other grades, and who understand that if they were denied the privilege of selling their grain for mixing purposes, they might well have to accept a lower price.

Spreads in Price and Milling Value

It is frequently claimed that the spreads in price between grain of different grades does not accurately reflect the difference in value of grain for milling purposes. Chemical tests are frequently referred to which, in the opinion of those advancing them, would seem to show that mills could afford to pay a higher price for low-grade grain. Such arguments really amount to claiming that the millers do not know their own business and that they are paying unnecessarily high prices on high-grade grain when they might make great economies by restricting their purchases to low-grade grain. The report of the Turgeon Commission showed clearly that so far as the mills in Western Canada were concerned, they prefer to buy, and to pay the extra price for high-grade grain. In one year, for example, a milling company, out of fourteen million bushels milled, had employed 56.6 per cent of 1 Northern, 25.2 per cent of 2 Northern, 16.3 per cent of 3 Northern, while of No. 4 and 5 they had used only 1.3 per cent and .6 per cent respectively. Reports for other milling companies were on a somewhat similar basis. Generally speaking, it seems to be the case that for the highest grade domestic flour the mills want the highest grade wheat they can get. For some export markets a slightly lower grade of flour is used for the ordinary bakers' trade, while still lower grades can be exported to different countries.

Different Sets of Conditions

The point which needs to be remembered here is that one set of conditions will govern values of grain for milling for the household trade, another set will govern milling for the bakers' trade, still other sets of conditions will govern values of grain for milling for export, depending on the country to which such grain is sent, and then, when it comes to wheat sent to be milled abroad, still other sets of conditions come into play.

Undoubtedly it is the case that when the quantities of low-grade grain are excessive, the spread in price between different grades widens out. Whether, however, it is proper to say that the discount on the low grades has increased or that the premium that will be paid for a high grade has advanced, it is difficult to say.

Protein Grading No Certain Panacea

The present system of grading established by law is based on the physical appearance of grain. Frequent arguments are advanced that instead of appearance there should be a chemical test of each car to indicate the protein content, which largely indicates the "strength." As to that, it can only be said that so far the purchasers of grain have indicated no great desire to buy on that basis, and there is nothing to indicate that any higher price would be received for our crop if it were so graded. And even if any such system could be established, it is likely that the disappointment and dissatisfaction would be much greater than any now existing. Undoubtedly, many of those who advocate such a system of grading would discover to their surprise that their own grain ranked lower than the average in protein content.

Should Pool Do Own Grading?

Suggestions have been advanced to the effect that the Wheat Pool should be allowed to establish its own system of grades. True, these have come from wheat pool members and do not appear to have the backing of any of the Pool management, but if it could be carried out the plan would be a very interesting one. If the Pool, for example, were willing to take the responsibility of grading on protein content and to try that system out as against grading of non-Pool wheat on the present basis by the Dominion Government, the experiment would be a valuable one. It is not at all likely that any objections would be raised either by the Dominion Government or by the grain trade to such an experiment. Should, however, the Pool show any inclination to demand changes in the present system, there is likely to be a strong insistence that no such changes be allowed to prejudice the rights of farmers who prefer to have their grain marketed outside of the Pool, as is the case with about 50 per cent of the wheat and the great bulk of coarse grains in the West.

Results of Commission

Just what results may be looked for from the present enquiry it is difficult to say. It is hardly likely that the Commission will conduct its investigation without having some recommendations to make. Any such recommendations presumably would be forwarded by the Saskatchewan Government to the Dominion Government for consideration, but it would then be necessary to determine how far such recommendations fit in with the views of other provinces and possibly what objections to them may be raised even in Saskatchewan.

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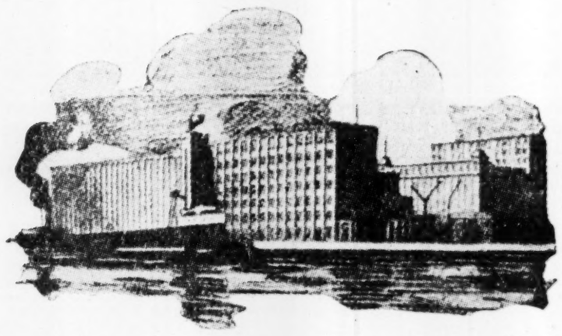

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West's Production of Coarse Grain Hit by Power Farming

Oats, Barley, Rye and Flax Not Considered Important "Cash Crops" But Are Grown for Home Use

Included in trade terminology under the heading of "Coarse Grains" are oats, barley, rye and flax. These have a very important place in the economics of western farming, although a more limited place in the actual trading in grain, because so large a part, especially of the oats produced, is consumed on the farm where grown. In the Province of Manitoba a considerably greater acreage is devoted to coarse grains than to wheat, while in Saskatchewan and Alberta the coarse grains acreage runs in the neighborhood of 40 per cent of the acreage devoted to wheat. For the three prairie provinces coarse grains acreage was 12,441,200 acres, as against 23,557,900 acres devoted to wheat. In terms of bushels, according to the Northwestern Grain Dealers' Association estimate, the total production of coarse grains was 411,954,900 bushels, as against 540,730,800 bushels of wheat.

Oats represent the most important of the coarse grains crop. On nearly all western farms some oats are grown, but the majority of the farmers market no oats except in years when production is unexpectedly heavy and there is a surplus over home requirements. Figures for oats acreage show the effect of the increasing use of mechanical power both in the cities and on the farms. Ten years ago the acreage in oats each year would run considerably more than half of the acreage devoted to wheat. The percentage is decreasing until it may be expected soon to be only one-third of the wheat acreage. There has in addition been an absolute decline in acreage devoted to oats, the figures for 1918 being 9,354,941 acres, and last year 8,292,700 acres, while in 1921 nearly 11,000,000 acres were devoted to oats. In Manitoba there are considerable districts in the northern part of the cultivated area where oats form the main cash crop, as oats are much less susceptible to frost damage than is wheat.

Not Best as Farmers' Cash Crop

The average production of oats per acre for the whole Prairie Provinces for the last ten years is approximately 30 bushels to the acre, as against an average of about 16 bushels to the acre for wheat. The price of oats per bushel normally runs under half the price of wheat, so a farmer does not normally grow oats for a cash crop unless his district is particularly suited to oats and he can expect much better than the average yield, or unless there are disadvantages in growing wheat.

There is a large internal trade in oats between different parts of the prairies, as almost every year some districts have to import oats for their own requirements. The greatest surplus oats crop the West ever had to send out of the country was in 1915, when over 80 million bushels were exported, but the lowest of many years was in 1926 when the total surplus to ship out was less than 14 million bushels. Of last year's crop possibly 40 million bushels will be marketed outside of the Prairie Provinces. Ontario and Quebec form a considerable part of the market, and shipments of oats overseas are comparatively small.

Barley for Feed and Malt

In barley the situation is something the same as with oats. It is a crop grown very largely for home use, as barley makes a remarkably fine feed for hogs. Manitoba is rapidly increasing its production of barley, and last year devoted 1,667,000 acres to this grain, or more than its acreage in oats. Saskatchewan put into barley only a little more than one-fifth of the acreage devoted to oats, and Alberta less than one-fifth. Barley is shipped abroad as a feed stuff for livestock, and some of the famous hogs of Denmark are fattened on Canadian barley and sold in the British market in competition with Canadian hogs.

Barley is also used for malting purposes, but the quantity of western barley devoted to malting has in the past been fairly small, largely because production for the malt market needs especial care. Barley for malting purposes needs to be free from frost damage, which prevents the necessary sprouting. In addition it needs to be uniform in variety, because a mixture of varieties prevents the uniform action in his vats which the maltster finds essential.

Recently efforts have been made to change methods both of grading and production of barley to suit malting requirements and an increase in sales for that purpose is confidently expected.

Last year the West's total production of barley was 87 million bushels, of which between 35 and 40 millions will probably be shipped abroad, the balance being fed to western livestock.

The area devoted to flax in Western Canada tends to decrease. For several years, in 1920 and prior, more than a million acres a year used to be put into flax, but recently the annual acreage runs less than half that amount. Few farmers set out to grow flax regularly, as returns are not considered satisfactory, but it used to be considered a good crop to grow on new breaking before land was ready for wheat. Flax prices have been subject to a great deal of fluctuation and the yield of a flax crop is also highly variable, so it has often been considered that putting in a crop of flax was more speculative than any other venture on the farm. Western production of flax is entirely for flaxseed and a large part is sold to the crushers. Last year's yield is estimated at 4,384,100 bushels.

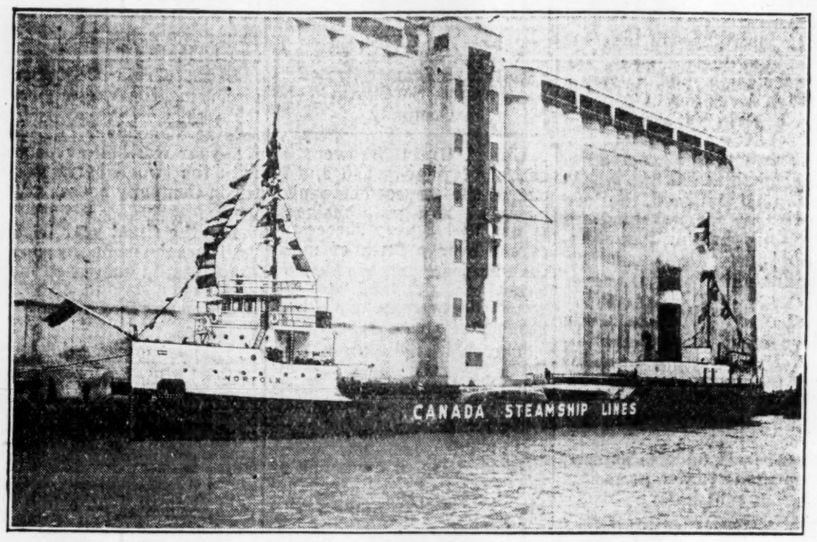
Wheat Replacing Rye as Well

Of rye the total acreage last year is estimated at 631,900 acres, with a crop, on an average of 18.3 bushels, of 11,568,000 bushels. A limited quantity of this will be feed, but most of it will be exported. A few years ago there was a decided tendency on the part of western farmers to go in for the production of fall rye, the only grain which it has been found possible to sow in the fall and bring through the winter successfully over the greater part of the West. Several good crops stimulated this movement until in 1922 nearly two million acres of rye were sown, mainly of the fall variety, although some was also planted in the spring. In recent years there has been a tendency to reduce the acreage in rye. The tendency toward power farming has accelerated this movement. Farmers ordinarily find wheat a much more profitable crop than rye where both can be grown to advantage, and the tendency to extend rye acreage was based on the desire to spread farm work more evenly over the year. With increasing use of power machinery, however, farmers find that they can handle to advantage larger areas of wheat.

Taking all coarse grains together, the total number of bushels loaded for shipment from local points, and consequently coming into trade channels, was in both 1927-28, and in the preceding year, slightly in excess of 75 million bushels, as against for wheat in 1927-28 a total of over 400 million bushels, and in the preceding year approximately 340 million bushels.

The tendency of both farming and trade conditions, in spite of the growth of diversified farming in the West, is to make the marketing of coarse grains somewhat less important year by year in comparison with wheat production. To a large extent this is based on the vanishing market for oats for city horses, which more than offsets the increased feeding of grains to commercial livestock on the farm, while the farmers' own horsepower is tending to be replaced by machinery both in the fields and on the roads.

Toronto is New Grain Port With Two Elevators



Toronto has became a grain port after thirty years without any traffic in the commodity. There are now two elevators in Toronto, one owned by Canada Malting Company and one by Toronto Elevator Company.

The latter elevator is shown above with the S. S. Norfolk arriving with the city's first cargo of grain. The Toronto elevator has a capacity of 2,000,000 bushels.

Flour Mills Provide Big Market for Wheat

Industry Consumes Up to Twenty Per Cent. of Total Wheat Production of Canada — Outlook is Better

Although the oldest manufacturing industry in Canada, and one of the largest of our present-day industries, flour milling has not made progress in the past two years commensurate with progress in some other lines of business. Problems of competition in export markets have been serious.

The Canadian milling industry produces between 18,000,000 and 20,000,000 barrels of flour annually. This takes from 15 to 20 per cent of the annual wheat crop, or roughly 80,000,000 bushels of wheat. Canada exports 10,000,000 to 12,000,000 barrels of flour annually. This represents roughly 50,000,000 bushels of wheat. Of Canada's total exports of wheat, usually about one-fifth leaves the country in the form of flour.

These figures broadly indicate the importance of the milling industry in the development of wheat growing and the operation of the grain trade in Canada.

The millers enter 1929 with an improved outlook and are likely to come closer to their rated 24-hour capacity of 30,000,000 barrels of flour annually than they did in 1928.

In the crop year to July 31, 1928, Canadian flour mills ground 18,910,384 barrels of flour, of which 9,865,754 barrels were exported. Wheat exported as flour amounted to about 40,000,000 bushels, as against exports of 288,567,390 of straight wheat exports.

The flour mills provided a home market for the following quantities of Canadian grain:

	Bushels
Wheat	86,842,296
Oats	11,252,362
Corn	1,857,038
Barley	754,765
Mixed grains	12,255,521

Production records of Canadian flour mills since 1917 have been as follows:

	Wheat milled bushels	Flour produced barrels	value
1917	84,478,264	17,687,338	$170,381,834
1918	78,486,826	17,880,912	189,096,238
1919	78,591,648	17,842,833	185,982,307
1920	61,116,380	13,127,320	153,117,662
1921	70,005,373	15,321,759	136,257,285
1922	81,413,649	18,055,010	112,445,551
1923	85,699,645	19,075,814	102,571,212
1924	95,750,772	21,076,733	121,786,505
1925	80,901,984	17,769,071	131,857,785
1926	86,200,877	19,056,162	131,187,907

$58,000,000 is Invested

Flour milling represents a $58,000,000 investment in Canada. There are 1,291 flour mills in Canada with $58,335,813 invested. These mills employ over 6,000 persons and in 1926 produced products to the value of $189,580,741.

The location of the flour and grist mills of Canada in 1926 was as follows, Ontario and Quebec being the principal centres:

	Mills	Capital
Prince Edward Island	17	$ 71,438
Nova Scotia	23	351,557
New Brunswick	37	286,282
Quebec	371	10,992,050
Ontario	676	29,008,355
Manitoba	36	6,159,778
Saskatchewan	63	4,402,031
Alberta	64	5,898,632
British Columbia	4	1,165,690

Canadian Milling Centres

	bbls. a day
Montreal	21,000
Keewatin-Kenora	14,800
Port Colborne	14,000
Winnipeg-St. Boniface	8,000
Medicine Hat	6,000
Peterborough	5,500
Moose Jaw	3,800
Fort William	3,000

The following cities are also milling centres of some importance: Calgary, Goderich, Toronto, Saskatoon, Portage la Prairie, Brantford, Midland, London and Vancouver.

Wheat Flour Chief Product

Wheat flour was the principal product in 1926, totalling 19,056,162 barrels, valued at $131,187,907. Oatmeal to the value of $5,634,759; bran, shorts and middlings to a value of $16,930,909, and chopped feed to a value of $29,027,954 were other chief products.

Interesting figures have been compiled in Canadian consumption of milled products indicating the average Canadian consumes just under a barrel of flour in one year. Average per capita consumption of flour in Canada in 1926 was as follows:

Wheat flour	.92 barrel
Oatmeal	11.91 lbs.
Cornmeal	4.91 "
Rye flour	.268 "
Buckwheat flour	.359 "
Barley	.455 "

The following figures show how the estimate of flour consumption was reached:

	Barrels
Production	19,056,162
Imports	53,841
Exports	10,456,916
Available for consumption	8,653,087
Average per capita	.81

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6½% Cumulative Preference Shares

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Western Grain Company, Limited, owns complete elevator facilities for the buying, storing, selling and shipping of grain. Combined capacities of elevators exceed 11,650,000 bushels. Properties include 273 grain elevators and 62 coal sheds as well as annexes, cottages, etc. The terminal elevator at Fort William has a capacity of 3,250,000 bushels.

Average annual net earnings of the businesses for their last six fiscal years, available for dividends on these Preference Shares, aggregated $426,809—equal to 3.28 times annual dividend requirements.

Net tangible assets aggregate more than $6,157,737, which after provision for the First Mortgage Bonds leaves a net value equal to over $157 per share for each $100 Cumulative Preference Share.

Price: 93.50 per Share and accrued dividend.

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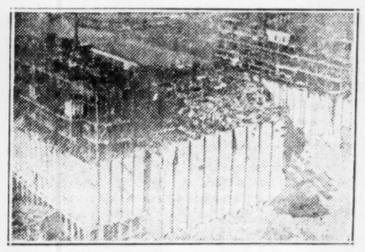

The Northwestern Elevator at Chicago after the explosion. This can happen to any unprotected elevator.

To the Executives of Canada's Grain Companies

YOU are concerned with the protection of the investment in your company, the protection of its plant, equipment, inventory and personnel.
You cannot be sure of such protection whilst the giant of dust explosion hovers uncontrolled within your grain elevators.

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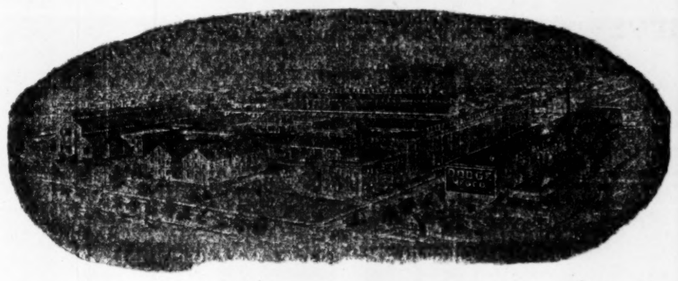

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SEVERAL GRAIN COMPANIES HAVE OFFERED SECURITIES TO PUBLIC

Investors Can Share in Grain Business

Many Companies Have Made Offerings of Their Securities to Public in Recent Years

REVIEWS OF LEADING GRAIN INVESTMENTS

It is only in recent years that the general investment public has been invited to participate in a large way in the grain business, which is one of the most important classes of Canadian business and which has proven very profitable over a long term of years. A number of companies engaged in different branches of the grain business have made public offerings of bonds, preferred stock and common shares. These have been readily accepted by the public of Canada, which has come to regard the grain trade as a very stable industry, with excellent possibilities for profit as constant expansion takes place in the production of Canadian wheat and other grains.

Different Branches of Business

There are many different branches of the grain business and it is well for the investor to understand the essential differences between the different classes of companies whose securities will be offered him.

Roughly speaking the chief branches of the grain trade are the following:

Lines of country elevators which collect the grain from the farmer. They may either buy the grain outright from the farmer or handle it for him on a fee basis fixed by the Dominion Government.

Terminal warehouses which buy grain and condition it; that is clean it, mix it, dry it or otherwise attempt to better the grade in order to raise its market value.

Terminal elevators which do not do any mixing of grain but are purely handling and storage propositions making their money out of turning over a very large quantity of grain in the course of a season.

Commission houses which buy and sell grain at so much per bushel.

Grain merchants and exporters who buy grain outright and sell it in the markets of the world.

Combining Different Activities

Many of the grain companies combine practically all of these classes of the trade. They operate long lines of country elevators, which are not in themselves particularly profitable but which feed the company's own terminals and collect grain to be sold by the company in the export markets. Some houses are purely storage and handling propositions and are, in a sense, similar to public warehouses.

There are substantial profits to be made in any or all of these classes by people who know the grain business. Management is, of course, the essential factor in the success of the grain business just as in any other business. Profits are apt to rise and fall with the size of the crop and the character of the crop but, in the main, an intimate knowledge of the business and aggressiveness in going after trade are the important factors that spell success or otherwise.

Canada's grain production has grown very rapidly and last year the 530,000,000 bushel crop taxed the capacity of practically all branches of the grain business. It is certain that grain production in the West will continue to grow and there will be fields for new organizations to spring up, and for the present organizations to expand their facilities.

Many of the grain companies utilize their facilities by carrying on other lines of business such as the handling of coal.

Pool Has Not Seriously Changed Trade

The operations of the wheat pools have not materially lessened the profits of the grain companies. In some cases the wheat pools have purchased certain of the facilities of the grain companies but it would seem that the wheat pools had reached the limit of their expansion. There will always remain large numbers of progressive farmers who wish to deal with private companies, feeling that they will thus get the benefit of their own individual ability more than if they were to throw their production into the common pool. While the wheat pool has been in operation securities of a great many of the grain companies have risen rapidly in the market.

Competition is very keen between the companies individually and also between the companies and the wheat pool but those organizations that are well managed, that are giving a fair deal to the farmer and that are searching out for new markets for Canadian grain are meeting it successfully. Some of these western grain companies have their agents in parts of the world which the wheat pool has never entered.

On these pages are given brief reviews of some of the leading grain companies with various public investment interest. It must not be considered that these represent all of the private grain companies of the country. Most of the companies are privately owned and only those companies which have made public offerings of securities are included in the reviews.

The future of the grain business in Canada is assured and the wise investor has ample opportunity to find a possible use for his money in securities of grain companies.

Collingwood Term.

Town Paid for Elevator and is Selling It to Company

Construction is now proceeding on a new elevator at Collingwood being built by Collingwood Terminals. This company is a subsidiary of the Canadian Terminal System, which has also projected elevators at Meaford and Penetang, to handle grain coming down from the head lakes and to transfer it to railway cars for further transshipment in an easterly direction.

Collingwood Terminals' elevator will have a capacity of 2,000,000 bushels of grain and it is expected that it will prove profitable on the handling of 13,000,000 bushels of grain in a season, which is the average of the Georgian Bay elevators.

Cost of the elevator is placed at $800,000. The elevator is being built by the town of Collingwood, which has issued its own debentures. The elevator will be sold to the company when completed. The bonds that have been issued are guaranteed by the county of Simcoe. The company is paying for the elevator with $100,000 in cash and its own bonds for the balance. In addition it has issued $250,000 of preferred stock carrying a bonus of common stock.

Capitalization—

	Authorized	Issued
Common ..... No par value.	25,000 shs.	25,000 shs.
Pref. cum. ..... Par $100.	$500,000	$250,000

Officers and Directors—
Hon. E. C. Drury, pres.; H. I. Price, vice-pres.; C. C. Begg, J. Shipley, Dr. D. McKay.

Canada Malting

Company Operates Large Terminal Elevator in Toronto

The business of Canada Malting Company is solely the manufacture of malt but it can properly be included among the grain companies in which there is an investment business, particularly since it has recently constructed a large elevator in the city of Toronto.

The company's product is sold to breweries, distilleries and other manufacturers. There are four malt plants in Montreal, Winnipeg, Calgary and Toronto, the latter being a new house built during the past year.

The new elevator in Toronto is now operating and has a capacity of 750,000 bushels storage.

After being privately owned by the Mathews family for many years, the company was publicly refinanced in 1927. The last annual statement for the period of thirteen months to August 31 last showed earnings of $1.84 or at the rate of about $1.70 for a twelve months period.

The common stock is the only security outstanding and it is now selling at around $32 a share, which is slightly above the original issue price of $30 a share.

Capitalization—

	Authorized	Outstanding
Common ..... No par value.	200,000 shs.	184,000 shs.

Funded Debt—
None.

Dividend Record—
Dividends $1.50 per annum, payable quarterly, Mar., June, Sept. and Dec. 15.

Officers and Directors—
W. L. Matthews, pres.; H. C. Hatch, vice-pres.; E. S. Clarke, sec.; A. C. Matthews, W. H. Mara, L. M. McCarthy, E. G. Long, K.C., C. H. S. Michie, E. W. Wright.

Net Earnings—

Year ending Oct., 31, 1924	$383,120
Year ending Oct. 31, 1925	364,664
Year ending Oct. 31, 1926	372,281
Nine months end. July 31, 1927	243,074
Thirteen mos. end. Aug. 31, 1928	386,666

Market Record—

	1928 H	1928 L	x1929 H	x1929 L
Common	43½	26½	35	29

xTo February 15th.

Electric Elevator

Company Operates Large "Mixing House" at Lake-Head

The Bole electric elevator at Fort William was recently taken over by a new company known as Electric Elevator and Grain Company and shares of this enterprise were offered to the public early in the present year. It is planned to list the shares on the Toronto Stock Exchange, which will add another to the grain group traded in by Eastern investors.

The Electric Elevator Company does not operate any country elevators. It buys, sells and "mixes" grain at its elevator. This has proven a profitable business in the past as it is a very necessary service in the grain trade and one that adds materially to the profits of everyone engaged in the grain business from the primary producer to the final exporter.

The elevator has a storage capacity of 1,000,000 bushels, which could easily be increased. But storage is not the primary function of such an elevator. It makes its money out of handling and conditioning by drying, cleaning and mixing, a very large quantity of grain continuously throughout the season. This plant is capable of unloading 100 cars a day and of loading boats at the rate of a carload a minute.

Outstanding are 31,500 shares of "A" stock and 31,500 shares of "B" stock in addition to a first mortgage bond issue of $450,000.

Capitalization—

	Authorized	Outstanding
Class "A" stock ...	50,000 shs.	31,500 shs.
Class "B" stock ... No par value.	50,000 shs.	31,500 shs.

Funded Debt—
First mortgage 6%, 15-year bonds, $450,000.

Officers—
F. H. Bole, pres.; D. H. Bole, Gabe H. Smith.

Earnings—

For Years Ending July 31	
1925	$109,281
1926	137,615
1927	110,592
1928	155,129

U. G. G.

Entirely Farmer-Owned and is Successful Company

United Grain Growers is entirely farmer-owned and is one of the largest companies in the western grain business. It has had a very successful career over a term of more than 20 years and has paid an 8 per cent dividend to its stockholders regularly for a number of years.

The company covers the three western provinces although it is strongest in Manitoba. It operates more than 400 country elevators at various points.

In addition, it owns one of the largest of the terminal elevators at Port Arthur, with a capacity of 5,500,000 bushels. This was completed a little over a year ago.

The company also uses the western route and has leased from the Vancouver Harbor Commissions an elevator with 1,650,000 bushels.

The company through two subsidiaries, is extensively engaged in the export grain business and has made large profits in this field.

It has manifold other activities, undertaking to supply its 34,000 shareholders with many lines of goods. It is in the live stock business in a large way and publishes the "County Guide," one of the leading agricultural papers of the Dominion.

The company has a $3,750,000 bond issue outstanding in the hands of the public and in addition approximately $3,000,000 of common shares of $25 par value. These enjoy a ready market among the farmers in the west although ownership is restricted to farmers and no single shareholder is allowed to hold more than a prescribed number of shares.

Capitalization—

	Authorized	Outstanding
Common ..... $25 par.	$5,000,000	$3,096,695

Funded Debt—
5% Sinking Fund bonds due 1948; issued, $3,750,000.

Dividend Record—
8% pe ranum, payable September 1.

Officers and Directors—
Hon. T. A. Crerar, pres. and gen. mgr.; J. R. Murray, asst. mgr.; J. Kennedy, second vice-pres.; E. S. McRory, mgr. Western division; R. S. Law, sec.; C. C. Jackson, asst. sec.; J. F. Reid, Orcadia, Sask.; F. J. Collyer, Welwyn, Sask.; J. Morrison, Yellowgrass, Sask.; W. B. Kirkpatrick, Excel, Alta.; D. G. McKenzie, Brandon, Man.; C. E. Hope, Fort Langley, B.C.; R. Shannon, Grandora, Sask.; S. S. Sears, Nanton, Alta.; J. J. McLellan, Purple Springs, Alta.

Executive Committee—
Hon. T. A. Crerar, J. F. Reid, F. J. Collyer, J. J. MacLellan.

Income and Surplus Account
Years Ending August 31

	1928 $	1927 $	1926 $
Gross earn.	3,347,315	3,275,950	3,281,128
Oper. expenses .	2,141,069	2,172,399	1,914,757
Net earnings ..	1,206,246	1,103,551	1,366,366
Deduct:			
Deprec. res. .	226,315	309,999	.....
Bond int., dep., etc. ..	491,415	382,285	689,988
Income tax ..	49,205	58,708	31,784
Payment to Sask. Co-op. Wheat Prod. Co. ..	.....	3,359	.....
Net profit	439,311	348,200	644,594
Deduct:			
Patronage div.	114,756	*126,597	78,792
Shareholders' com. div. ..	243,157	237,245	233,277
General res. .	185,012	42,934	245,563
Surplus for year	†103,614	†58,577	86,962
Add: Prev. surplus	605,988	664,565	577,603
Bal. car. forwd.	502,374	605,988	664,565

*Including payment to Alberta pool.
†Deficit.

N. Bawlf Grain

Earned $3.35 Per Share on Common During Last Fiscal Year

N. Bawlf Grain Company has sold preferred shares to the public and these were accompanied by a bonus of common stock. This is one of the older grain companies in the west that has shown striking gains from year to year and that conducts one of the most important lines of elevators in the east.

N. Bawlf Grain Company owns outright or controls, through a substantial interest in a subsidiary company, 141 grain elevators located throughout the three Western provinces. The combined storage capacity of these country elevators is 5,400,000 bushels.

Through a subsidiary company a large terminal elevator at Port Arthur is controlled. This has a capacity of 2,500,000 bushels.

Bawlf Grain Company is also using the western route. It does not own its own terminals at Vancouver but has a five-year working agreement with the two Alberta Pacific Grain Company houses at that port.

For the fiscal year to August 1 last the company showed substantially increased earnings amounting to $3.35 per share on common stock.

Capitalization—

	Authorized	Outstanding
Common ..... No par value.	100,000 shs.	60,000 shs.
Pref. cum., 6½% Par $100.	$2,500,000	$2,000,000

Funded Debt—
Bawlf Terminal Elevator Co., 6½%, serial bonds, $350,000. Series "B", 6%, due 1942, $205,000.

Dividend Record—
Preferred 6½% per annum, payable quarterly Mar., June, Sept. and Dec. 1.

Officers and Directors—
W. R. Bawlf, pres. and man. dir.; W. Pope, sec.; E. J. Honkins, treas.; F. S. Meyer, asst. sec.; N. W. Bawlf, asst. treas.; C. N. Bawlf, H. J. Symington, K.C., G. C. Griffen, H. W. Webster.

Earnings—
Year Ending July 31, 1928

Operating profits	$465,902
Less: Depreciation	100,000
Bond interest	35,050
Net earnings	$330,852

Alberta Pacific

Company Earned $7 a Share Last Year — Is Leader

The largest of the Canadian grain-handling companies to be publicly financed and have its securities listed on the stock exchange of Eastern Canada is the Alberta Pacific Grain Company. This is an old established company that has been in business in a large way for over a quarter of a century but that has been most prominently before the public since it was purchased just under three years ago by a group headed by James Stewart and F. W. Riddell. Since that time it has considerably expanded its operations and its common shares have moved rapidly upwards in the markets.

Has 375 Elevators

The company blankets Alberta and a large part of Saskatchewan and it has 375 country elevators in operation. These elevators act as feeders for the company's terminal warehouses at Vancouver.

The 375 local or country elevators have a total capacity of 13,500,000 bushels. The terminal elevator at Calgary has a capacity of 250,000 bushels. The company owns a terminal elevator of 2,250,000 bushels capacity at Vancouver. This elevator is operated under lease by a subsidiary company. Another subsidiary company operates an elevator of 2,100,000 bushels capacity which has been leased from its owners, the Vancouver Harbor Commission. The company also leases a pier at Vancouver, which is operated by a subsidiary known as the Alberta Pacific Pier Corporation.

In addition to these large facilities for handling grain the company owns a substantial interest in various elevators at Port Arthur and Fort William that have a total capacity of 14,000,000 bushels of grain.

Recently the company bought the Victor Flour Mills in Vancouver and has formed a subsidiary under the name

(Continued on page 55)

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RECENT MERGER IN GRAIN BUSINESS IS "CONSOLIDATED"

Concern Is Headed By W. H. McWilliams and C. E. Hayles

NO PUBLIC FINANCING

Company Controls Units in Each Branch of Grain Trade in the West

Mergers in the grain trade are bringing about economies in the handling of wheat between the farmer and the ultimate buyer and they are also setting up large corporations in which the public is invited to participate. While some units in the grain trade conduct only country elevators and others some other single branch of the grain business such as operation of terminal elevators, buying and selling grain on commission, buying and selling as merchants, the larger companies perform all of these functions and represent every phase of the grain business.

A most recent consolidation in the Western Canada grain business resulted in the formation during the past summer of the Canadian Consolidated Grain Company. This brought together in one company the following old established institutions in the Western field:

Canadian Elevator Company.
Dominion Elevator Company.
Winnipeg Elevator Company.
Empire Elevator Company.
Thunder Bay Elevator Company.

The first three companies operated lines of country elevators on the prairies and the two last named operated terminal elevators at the head of the lakes.

No Public Issue Yet

The merger was effected by the exchange of securities and it is not the present intention of the group controlling the new company to make any public offering of securities although such a move is a distinct possibility at a future time.

The head of the merger is W. H. McWilliams, for many years a leading grain man and well known also as one of the Western directors of the Royal Bank of Canada. Associated with Mr. McWilliams, the president, are the following officers: C. E. Hayles, vice-president and general manager, Alex. Christie, secretary, and E. Burns, treasurer.

The combination operates 138 country elevators with a total capacity of about 4,500,000 bushels of grain and which it may be presumed would handle close to 15,000,000 bushels of grain each crop year. The two head of the lakes terminals, owned and operated by the company for the storage, handling and mixing of grain, have a capacity of 1,750,000 bushels and 1,500,000 bushels or a total of 3,250,000 bushels.

Alberta Pacific

(Continued from page 54)

of Atlas Flour Mills to operate the plant. Its capacity is being increased to 600 barrels of flour daily.

The company is thus a well rounded grain-handling organization, which has been a very important factor in promoting the westward flow of grain through the port of Vancouver but which nevertheless has an interest in the older and still more important eastward route. It is in the hands of experienced and able grain men.

Bonus Shares Very Valuable

The common shares were offered as a bonus with the preferred stock offering made in May, 1926, but they have advanced until to-day they are selling in the neighbourhood of $60 a share and have sold as high as 70½ on the exchange.

The company earned nearly $7 a share on its common stock in the fiscal year to June 30 last, which was about double the earnings of the previous year. It is not known if the current year is seeing a maintenance of this rate of earnings. Early forecasts were that with the larger crop the company could earn $10 a share but more recent reports indicate that the lower grades of grain have affected the rate of profit being earned. In any event the company is one of the leading units in Canada's grain trade and its securities are looked upon with considerable favor by those who consider the long pull.

Capitalization—

	Authorized	Outstanding
Common "A"	80,000 shs.	80,000 shs.
Common "B" No par value.	20,000 shs.	20,000 shs.
Preferred 7% Par $100.	$3,000,000	$3,000,000

Funded Debt—
First mortgage 6% bonds, due 1946, $3,321,510.

Dividend Record—
Common "A". None paid.
Common "B". None paid.
Preferred 7% per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
James Stewart, pres.; F. W. Riddell, vice-pres. and man. dir.; C. Lamont, sec.; B. Phipps, treas.; J. C. Gage, A. C. Michael, C .W. Band, D. A. Campbell, A. F. Culver.

Income and Surplus Account Years Ending June 30

	1928	1927
Operating profit	$1,352,506	$967,403
Less:		
Bond interest	206,500	219,733
Depreciation	181,520	166,546
Income tax, etc.	84,702	.....
Net profit	$ 879,783	$581,124
Less Appropriations: Pref. dividends	210,000	227,500
Surplus for year	$ 669,783	$353,624
Previous surplus	353,624	.....
Carried forward	$1,023,407	$353,624

Market Record—

	1928		x1929	
	H	L	H	L
Common	70½	48	67½	55¾
Preferred	102	96½	100½	99

xTo February 14.

Goderich Elevator

Company Has Three Houses in Town of Goderich

Goderich Elevator and Transit Company has been in operation for over 30 years. It owns and operates three elevators in the town with a combined capacity of 2,000,000 bushels. The company has always been successful and has paid dividends continuously for twenty-five years. The current rate is $1.40 a share.

There is only one class of stock outstanding, the common shares.

In June of last year an offering of common shares was made at $23.

An addition of 1,500,000 bushels capacity will be made to the Goderich elevator this year.

The company now handles from 17,000,000 to 20,000,000 bushels annually.

Capitalization—

	Authorized	Outstanding
Stock No par value.	90,000 shs.	74,006 shs.

Funded Debt—
None.

Dividend Record—
Dividends continuously paid since 1904. New stock placed on basis of $1.40 per annum, and first quarterly dividend paid July, 1928.

Officers and Directors—
J. A. I. Hunt, pres.; M. McLaughlin, C. W. Watts, S. R. Stuart, C. R. Hunt, G. L. Parsons, C. S. Band.

Stewart Terminals

Owns 1,500,000 Bushel Terminal Elevator at Lake-Head

Stewart Terminals is of interest to the investment public through the fact that it has some $500,000 of its bonds outstanding. The common stock is privately owned, some of it being controlled by Alberta Pacific Grain Company.

It owns an elevator of 1,500,000 bushels at Port Arthur.

Capitalization—

	Authorized	Outstanding
Stock Par $100.	90,000 shs.	84,006 shs.

Funded Debt—
First mortgage 6½% serial bonds, Series "A", $430,000.

Officers—
James Stewart, pres.; A. C. Michael, vice-pres.; H. C. McGregor, sec.-treas.

Reliance Grain

Company Turns in Good Report in First Public Year

Reliance Grain Company has been a public company for about one year and its securities have given a very good account of themselves in that period. The company was a merger of three enterprises that had been operated under similar management and that, between them, carried on operations in the three principal branches of the grain business—country elevators, terminal elevator and commission and export business.

These companies were Smith, Murphy Company, which had carried on a general grain commission, shipping and export business for many years operating throughout the world; the Province Elevator Company owning and operating some 128 county elevators and operating in addition 50 other country elevators; and the Reliance Terminal Elevator Company owning a line of country elevators and a modern terminal at Port Arthur.

Own 158 Elevators

The company owns 158 line or country elevators, having bought 30 recently and controls 50 more. These have total storage capacity of 6,100,000 bushels. The terminal elevator at Port Arthur has total storage capacity of 4,000,000 bushels.

The company is gradually extending its facilities in the West and may be expected to add from time to time to its line elevators.

Common Shares Sell Up

The common shares were offered as a bonus with the preferred shares in January 1928. They have since sold up to around 55 in the market. The annual report for the year to July 31 last showed that $5.18 was earned on each common share. If a full year's preferred dividends were allowed, earnings would be about $4.44.

As the company's elevators are located in each of the three provinces and it is engaged in all the major branches of the grain business it is in an excellent position to benefit from the growth of the western grain trade.

Capitalization—

	Authorized	Outstanding
Common No par value.	100,000 shs.	100,000 shs.
Preferred Par $100.	$3,000,000	$2,000,000

Funded Debt—
First mortgage and collateral trust bonds, 6%, Series "A", due 1948, $2,000,000.

Dividend Record—
Preferred $6.50 per annum, payable quarterly, Mar., June, Sept. and Dec. 15. Initial payment of $1.62½ per share made Mar. 15, 1928.

Officers and Directors—
S. T. Smith, pres.; W. A. Murphy, vice-pres.; C. G. Murphy, H. A. Smith, A. J. Nesbitt, P. A. Thomson.

Consolidated Income and Surplus Account Year Ending July 31, 1928

Operating profits after deducting expenses	$888,936
Deduct:	
Bond interest	69,534
Depreciation	155,224
Income tax	49,411
Organization expense	10,427
Bond discount	30,000
Net earnings	$574,340
Less preferred dividends	55,740
Surplus for year	$518,600

Market Record—

	1928		x1929	
	H	L	H	L
Common	55	38	45	40

xTo February 14.

Western Grain

Company Operates 273 Elevators and Large Terminal

Recently a group of half a dozen western grain firms that had for a number of years been closely associated in their operations were merged under the name of Western Grain Company. Public financing of the company took the form of an issue of bonds, and an issue of preference shares carrying a bonus of common stock.

Western Grain Company brought together the following companies of long standing:

Western Terminal Elevator Company.
Western Elevator Company.
State Elevator Company.
Central Grain Company.
Spencer Grain Company.
Weaver Elevator Company

Covers Two Provinces

The company covers Saskatchewan and Manitoba and its lines of country elevators feed a large terminal at Fort William.

The company controls 273 grain elevators in the two provinces in addition to coal sheds, etc. The Fort William terminal elevator has a capacity of 3,250,000 bushels. The combined capacity is 11,650,000 bushels.

First mortgage bonds to the extent of $3,000,000 and preference stock to a total of $2,000,000 are outstanding and there are 200,000 shares of common stock.

Capitalization—

	Authorized	Outstanding
Common	200,000 shs.	200,000 shs.
Pref. cum. Par $100.	$3,000,000	$2,000,000

Funded Debt—
First mortgage 6% bonds, Series "A", due 1949, $3,000,000.

Dividend Record—
Preferred dividends 6½% per annum, payable quarterly, Jan., Apr., July and Oct. 2.

Officers and Directors—
C. G. Spencer, pres.; D. C. MacLachlan, vice-pres. and gen. mgr.; C. I. Hall, D. Morrison, Sr., C. Reid, James Stewart, K. B. Stoddart, F. B. Stoddart, A. H. Williamson.

Panama Pacific

City of Victoria Guaranteed Half Million of Its Bonds

Panama Pacific Grain Terminals recently erected a 1,500,000 bushel grain terminal in the city of Victoria. The city guaranteed $500,000 of bonds of the enterprise and in addition $1,000,000 of common shares of $10 each par value were offered to the public.

Capitalization—

	Authorized	Outstanding
Common Par $100.	$1,000,000	$1,000,000

Officers and Directors—
J. A. Mooney, pres.; G. Charters, vice-pres.; F. W. Turnbull, sec.-treas.; A. J. Gibson, dir. of sales; E. T. Myers, J. Maher, F. B. Pemberton.

Midland, Pacific

Company Operates Elevators— Controls Vancouver Terminal

The Midland and Pacific Grain Corporation is a merger of two grain companies that have been operating in the three western provinces. The company owns or controls 43 elevators with a total storage capacity of 1,355,000 bushels. The company also controls, through a subsidiary, a modern terminal elevator at Vancouver with a capacity of 500,000 bushels.

In the early part of 1928 an issue of preferred stock of the company was made accompanied by a bonus of common shares.

The Vancouver Elevator is controlled through a subsidiary company called the Midland Pacific Terminal. Three hundred thousand dollars of the first mortgage bonds in this enterprise have been offered to the public. It is interesting to note that the financing was carried out in Alberta. Recently there have been a large number of cases of western concerns financing their securities with western capital and this gives evidence of the growing buying power of western investors.

Capitalization—

	Authorized	Issued
Common No par value.	100,000 shs.	100,000 shs.
Pref. cum. Par $100.	$1,000,000	$1,000,000

Funded Debt—
None.

Dividend Record—
Preferred 7% per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
A. C. Randall, pres.; C. W. Roenisch, vice-pres. ad man. dir.; J. Whittle, treas.; C. E. Huntting, Jr., A. Watson, sec.; D. Clive Betts, G. F. Tull and Arden.

Midland Pacific Terminals

Capitalization—

	Authorized	Issued
Common Par $100.	$500,000	$200,000

Funded Debt—
First mortgage 6½% bonds due 1943, $300,000.

Officers—
A. C. Randall, pres.; C .W. Roenisch, vice-pres.; J. Whittle, Vancouver, mgr.

Toronto Elevator

Company Brings City Back to Former Position

The Toronto Elevator Company, who operate one of the two new elevators on the Toronto waterfront, also control and operate the elevator at Sarnia. The capacity of the Sarnia elevator is being increased by 2,000,000 bushels to a 3,000,000 concern.

In the Toronto building, which is of a 2,000,000 bushel capacity, has been installed a most modern plant for the handling of salvage grain. The company does an entirely domestic business, handling grain for public storage and to supply local millers. The elevator does no export business or "mixing."

The grain comes mainly from Fort William, some directly by water and some, transshipped to canal-size vessels or by rail, from Port Colborne. A small amount is expected to be drawn from the territory surrounding Toronto during the coming year, but this is not expected to reach a very high volume for a year or so.

The Toronto elevator is the first one in the city, unless the storage warehouses of 1880 or thereabouts were classed as elevators. The grain which came by boat last fall was the first to arrive in the Toronto Harbor via lake steamer for 40 years.

At one time Toronto was quite an important grain port and the two new elevators have brought the city back to that position.

Public financing of the company is contemplated, but no public announcement of this has been made.

Grain shipments through the Canadian ports of Fort William and Port Arthur at the head of Lake Superior since this season's movement of the Western crop began until the close of navigation on December 12, exceeded all previous records, amounting in all to 287,780,000 bushels, compared with 193,000,000 bushels last year. The fine weather that prevailed throughout the threshing season permitted a free and rapid movement from the farms to the railways, and then by rail and sail to the seaboard.

Quebec Shows Growth As Grain Handling Port; Capacity Being Doubled

Adjustment in Rail Rates is Reflected in Steady Increase in Number of Bushels Handled

From Our Own Correspondent

MONTREAL.—The Harbor of Quebec is developing into an important grain shipping port, and its excellent facilities for handling grain are drawing an increasingly large number of bushels from grain exporters each year. For a number of years the port was handicapped by an adverse railway freight rate on grain from the Prairie Provinces, and on other export goods from Toronto and points west of that city. The higher cost of freight rates to Quebec prevented the harbor from securing its proportionate share of Canadian-borne traffic. New rates, however, have been effective since September, 1927.

When the construction of the Grand Trunk Railway was decided on in 1903 with the object of carrying western crops to Canadian Atlantic ports, the charter granted provided that rates over that road were not to be higher than the rates via the other routes. Unfortunately, this proviso was never put into effect and practically no movement of grain ever took place, the rate being prohibitive.

Application in 1925

In August, 1925, the Quebec Harbor Commissioners filed an application before the Board of Railway Commissioners for Canada, asking for a readjustment of the railways freight rate. The application sought an equable rate which would place the Port of Quebec on a competitive basis with other Canadian ports, and also permit the utilization of the transcontinental railway for the transportation of the western grain crops to the Canadian Atlantic ports, and especially the Port of Quebec, for shipment overseas.

In August, 1927, the Board of Railway Commissioners issued an order which may be summarized as follows:

The Board directed all railway companies subject to its jurisdiction to publish and file tariffs showing the same rates to Quebec as to Montreal on (a) grain from Bay ports for export, and (b) all traffic from Toronto and points west thereof for export. The Board also directed that the rate of all rail movements of grain from Port Arthur, Fort William and Armstrong to Quebec, over the transcontinental railway, would be in future 18.34 cents per hundred lbs. This is almost equivalent to the rail and water rate route combined, from Port Arthur, Fort William, via the Georgian Bay ports to Montreal.

Rates Are Now Effective

These rates were made effective on September 12, 1927, and an initial shipment was made from Winnipeg to Quebec elevators during the course of the winter of 1927 which proved an unqualified success.

Grain from the western provinces has been moving over the transcontinental railway lines to Quebec for shipment overseas, and has continued to move after the close of navigation. The Quebec elevators, whose capacity of 2,000,000 bushels has been doubled during the past year, will be filled to their capacity of 4,000,000 bushels.

Grain has also moved to Quebec in large quantities by lake vessels for export shipment, for the same rate as other ports on the St. Lawrence River above Quebec, and without additional cost to the western farmer. A comparison of grain exports and deliveries in bushels follows:

Year	Receipts	Deliveries
1924	5,285,829	4,540,616
1925	5,177,659	4,837,986
1926	8,719,501	8,461,682
1927	9,441,698	9,773,376
1928	11,063,761	12,267,082

Port's Development Work

Since the readjustment in rail rates on grain and freight shipped to Quebec, the port is on a competitive basis with the other inland ports of Canada. To take care of the increasing activity in operations, various extensions and additions are being undertaken. The river frontage in front of the city proper is being developed. The general plan for these improvements has been divided into sections which can be built independently, whenever necessitated by the requirements of the trade. The first section now under construction consists of a wharf 4,300 feet long, together with a pier 1,800 feet long. This work will provide deep water berths for four of the largest types of vessels, with two additional deep-water berths each 600 feet in length, as well as one berth for lake vessels carrying grain. All necessary sheds, elevator facilities and general services have been provided for.

Completed in 1930

These new works, started in 1925, will be fully completed in 1930 and will then be available for the large ocean-going vessels, including the new 40,000-ton "Empress of Britain" which is under construction for the Canadian Pacific Steamships.

The present facilities of the Port of Quebec can be summarized as follows: Twenty-five ocean berths with a depth of water ranging from 26 to 40 feet at low tide. Fireproof, concrete grain elevators with a total storage capacity of 4,000,000 bushels. These elevators are equipped with two marine towers, conveyors, grain galleries, grain dryer, Richardson separator, and a bagging shed. Landing sheds have a floor area of over 500,000 square feet. A modern cold storage plant, with a capacity of 500,000 cubic feet, and a fish house, thoroughly equipped for the freezing of fish, with a storage capacity of 1,000,000 pounds. A cattle berth is maintained which is equipped as a cattle-resting, feeding and loading station.

WELCOME NEW CEREAL CROP

The statement attributed to L. H. Newman, Dominion Cerealist, that "It is probably safe to say that in few countries, if any, has the work of the scientific breeder of plants contributed more directly and substantially to national prosperity than it has in Canada," is not likely to be questioned as to its accurancy, although it would be difficult to make an exact appraisal of the actual benefits obtained. Certainly, there are few in Western Canada who do not realize that the huge grain industry which has been built up in the Prairie Provinces is indebted to a large extent to the discoveries of new varieties of grain, which have made it possible and feasible to extend the boundaries of the growing areas. That the task of those engaged in agricultural research is by no means completed is apparent from the announcement that plans are maturing for the production of what is termed a "cereal map," which will show, by zones, the areas best fitted to grow certain kinds of cereals. This is no light undertaking but it is one which will require patience, skill, and ingenuity to complete. The work and expense involved, however, is, according to the Grain Trade News of Winnipeg, nothing compared with the inestimable value of such a map when produced, both to established farmers and to intending settlers on the land.

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Giving Service to the Producer and the Buyer of Grain

Winnipeg Grain Exchange Building
The recent addition is shown in this picture.

Winnipeg Grain and Produce Exchange:
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Incorporated 1891

Winnipeg Grain Exchange
Organized as a Voluntary Association 1908

Winnipeg Grain Exchange